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MEETING OF THE

AVIATION TECHNICAL ADVISORY COMMITTEE

Thursday, November 13, 2008
10:00 a.m. – 12:00 p.m.

Flight Path Learning Center and Museum at LAX

6661 West Imperial Highway
Los Angeles, CA 90009

310.215.5291

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Michael Armstrong at 213.236.1914 or armstron@scag.ca.gov

Agendas and Minutes for the Aviation Technical Advisory Committee are also available at:

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AVIATION TECHNICAL ADVISORY COMMITTEE
AGENDA

			PAGE #	Time
	"Any item listed on the agenda (action or information may be *acted upon at the discretion of the Committee"*			
1.0	**CALL TO ORDER**	**Todd McNamee, ATAC Chair**		
2.0	**WELCOME AND INTRODUCTIONS**	**Todd McNamee, ATAC Chair**		
3.0	**PUBLIC COMMENT PERIOD**			
	Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of this committee, must notify the Chair and fill out a speaker's card prior to speaking. Comments will be limited to three minutes and the Chair may limit the total time for comments to 20 minutes.			
4.0	**CONSENT CALENDAR**			
4.1	Approval of Meeting Minutes from September 11, 2008 **Attachment**		1	
4.2	ATAC Membership List and Contact Information **Attachment**		8	
5.0	**PROJECT REVIEW** None			
6.0	**INFORMATION ITEMS**			
6.1	Update on Planned LAX Improvement Projects	**LAWA Staff**		**15 min.**
6.2	Summary of Regional Airport Remote Terminal Study **Attachment**	**Andrew McKenzie** **Citigroup Technologies**	**10**	**20 min.**
6.3	Summary of Boyd Group Aviation Forecast Summit **Attachment**	**Mike Armstrong** **SCAG Staff**	**16**	**15 min.**

AVIATION TECHNICAL ADVISORY COMMITTEE
AGENDA

ITEM			PAGE #	Time
6.0	**INFORMATION ITEMS** (Cont'd)			
6.4	Summary of Regional Aviation Activity Quarterly Reports-- 2nd and 3rd Quarters 2008 **Attachment**	**Mike Armstrong SCAG Staff**	**25**	**10 min.**
6.5	Potential Implications of Voter Approval of State High-Speed Rail Initiative for SCAG Regional Aviation Planning **Attachment**	**Mike Armstrong Staff**	**77**	**10 min.**
7.0	**ACTION ITEMS**			
7.1	Proposed New ATAC Charter **Attachment**	**Mike Armstrong SCAG Staff**	**78**	**45 min.**
8.0	**MISCELLANEOUS ITEMS/ ANNOUNCEMENTS**			
9.0	**FUTURE AGENDA ITEMS**			

Any committee members of staff desiring to place Items on a future agenda may make such a request. Comments should be limited to three minutes.

10.0 SET NEXT MEETING LOCATION

11.0 ADJOURNMENT

AVIATION TECHNICAL ADVISORY COMMITTEE

MEETING MINUTES

September 11, 2008
Bob Hope Airport

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE AVIATION TECHNICAL ADVISORY COMMITTEE. AUDIO CASSETTE TAPES OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING AT THE SCAG MAIN OFFICE.

The Aviation Technical Advisory Committee of the Southern California Association of Governments held its meeting at the Bob Hope Airport Skyroom. The meeting was called to order by Todd McNamee, ATAC Chair and Airport Director of Ventura County.

1.0 Call to Order

Mr. Todd McNamee, ATAC Chair and Airport Director of Ventura County called the meeting to order at 10:20 am.

6.1 Welcome and Introductions

Attendees were welcomed and introductions were made.

3.0 Public Comments

There were no public comments.

6.1 Consent Calendar

4.1 Approval of Meeting Minutes from June 12, 2008

4.2 ATAC Membership List and Contact Information

Committee members corrected their respective information and changes will be reflected in the revised version of the ATAC Membership List and Contact Information list.

5.0 Project Review

None

6.0 Information Items

6.1 Bob Hope Airport Update

Mr. Mark Hardyment, Bob Hope Airport, presented an update on renovations occurring at Bob Hope Airport and results from the Part 161 study .

6.2 Update on Regional Airport Remote Terminal Study

Mr. Mike Armstrong, SCAG, said that he had recently received a draft report from Citigroup Technologies for the Regional Airport Remote Terminal Study (previously called the HOV Flyaway Study). Citigroup's behavioral model RADAM, which is used for aviation forecasting found in the RTP, was reconfigured to look at potential new flyaways. Mr. Armstrong briefly discussed some of the broad assumptions used in the model to look at demand from remote access terminals to airports, as well as time horizons considered. The draft report was still being updated and revised and the consultant working on the project is expected to give an extensive presentation to ATAC soon. The idea of high-speed rail is being reevaluated and ground access issues are being rethought. Additionally, with recent cutbacks in flights, especially at outlying airports, airport capacity issues that had previously been assumed and used to drive regional aviation planning and the RTP will be reconsidered. Mr. Armstrong said that he believed that locating new remote terminals to serve not only LAX, but other airports such as Ontario, could allow the utilization of existing investments in HOV facilities and light and heavy rail to be a very cost-effective way of implementing and effectuating the regional decentralization strategy in lieu of constructing multi-billion dollar high-speed rail systems.

Results from the report were divided into general and specific findings. The general findings were generated by Citigroup arbitrarily locating remote terminals around the region without consideration to existing constraints such as land availability. There was also some specific modeling of specific sites to specific airports, including sites being investigated by LAWA for service to LAX and sites at transportation centers such as the ARTIC in Anaheim, the Thousand Oaks transportation center in Ventura, and the proposed Sierra Madre light rail station with an assumed extension to Ontario. Remote terminals were found to function best when service was synchronized with flight schedules of the airport being served and sufficient distance existed between the remote terminals and the airports. The Westwood site serving LAX was an exception due to the large student population in the area. Sufficient passenger demand must exist at the airport to justify a remote terminal.

The consultant found that shuttle vans, which offer more flexible service, might be a solution to deal with low demand. The demand for remote terminals rises with increases in congestion and fuel prices if HOV lanes remain relatively uncongested. There should be no direct competition with high speed train stations. Public knowledge is key to heighten remote terminal use and reliability is essential for success. Lower

fares also make remote terminals more attractive to potential users. The potential for shared use of remote terminals among multiple airports might alleviate problems related to issues surrounding subsidies. Business and affluent passengers were found to be willing to pay more if first-class seating and premium accommodations were available on the buses serving remote terminals. Lastly, electronic conveniences like online booking and ticketing are desired by all groups of passengers. Some affluent areas showed low propensity for use of remote area terminals.

Specific findings showed that remote terminals could boost demand to outlying airports in terms of serving induced or latent demand and have benefits related to reducing VMT and air emissions though it was not a significant congestion relief strategy for the urban airports.

Mr. Keith Downs asked if the availability and number of connecting flights from given airports was considered in the study and if such information was meaningful. Mr. Armstrong said that the model used SCAG's adopted 2008 RTP forecast and that Ontario reached its capacity constraint of 31.6 MAP even without high-speed rail. He also stated that, given the current state of the aviation industry, SCAG's aviation forecasts might be obsolete. Mr. Armstrong, in response to a question, answered that he believed that the pricing system assumed for modeling purposes was existing fares for flyaways operated by LAWA and parking fares. He said he would confirm with the consultant. Mr. Armstrong then talked about specific sites that were identified by the model that seemed to be the most viable for remote terminals, including existing sites.

6.3 Update on Regional Airport Management Action Plan

Mr. Armstrong said that the study was follow-on to two other regional airport management studies that had been completed in the past. This study is currently on hold. The study was originally designed to determine how to gain increased, better coordination between ground transportation providers and airports in programming ground access improvement transportation projects. This stems from recognition that county transportation commissions (CTCs) must understand the necessity of ground access projects to insure that they are included in the RTP. The study will also look at communication between airports and CTCs as well as identifying incentives that have been used elsewhere to attract passengers to emerging suburban airports to support a regional decentralization strategy. There has also been consideration of holding an aviation summit to discuss national and regional trends in the aviation industry and gather some stakeholder input to move forward with effective regional aviation planning, especially given the recent dissolution of the SCRAA. Providing a sample outline for the summit, Mr. Armstrong asked for input from the committee concerning the potential summit.

Mr. McNamee asked about the status of study since a consultant had already been chosen. Mr. Armstrong said the decision to use the chosen consultant or offer the project for bid again was not certain since the project was on hold as directed by SCAG

management. The committee expressed concern over the need and goals of an aviation summit along as well as a potential lack of participation. Possible speakers were noted but the committee noted that most airport operators were focused on their own operations and a summit might not appropriate at this time.

The committee turned the information item into an action item. A motion was made and carried unanimously recommending that the summit be delayed for six months to one year to give the aviation industry some time to better understand issues currently being faced.

6.4 Update on General Aviation Survey

Mr. Mike Jones, SCAG, provided a brief update on the progress of the general aviation survey currently being conducted by SCAG. He noted the number of responses received and indicated that he would be contacting airports that had not yet responded. The committee suggested that, to address some of the changes that may be occurring in aviation industry, receive responses be verified with the airports who provided them. Any changes should be noted. There was some concern about the fact that changes were occurring in the aviation industry and whether the data collection effort should be delayed to address current trends. Mr. Jones said that data could be updated easily and the group agreed that the collected data should be analyzed and then revisited at later date as well.

7.0 Action Items

7.1 Proposed New ATAC Charter

Mr. Armstrong provided background for the item noting that all SCAG policy and technical committees, just like ATAC, were currently developing new charters. He noted that the existing framework of ATAC was based primarily upon its member composition and meeting schedule. In creating a new, more detailed ATAC charter, he suggested placing more emphasis on expanded and more inclusive membership base. As a start, invitation letters to San Diego airport authorities had already been extended.

The purpose of the ATAC committee is, and should remain, to provide technical recommendations to SCAG to aid in the development of policies and regional aviation demand forecasts for the RTP. It should also server to provide a forum for the exchange of information among airports. At the request of the committee, Mr. Armstrong added language to the proposed charter indicating that recommendations from ATAC should be designed to facilitate the development of new regional aviation policies or aviation demand forecasts for the RTP. He then briefly the process for recommendations from the ATAC for different scenarios, such as when the Aviation Task Force was in session and when it was not. Mr. Armstrong said that the recommendations for the new charter were

listed as part of the agenda packet. He also noted that, recently, ATAC has not focused on providing reviews and comments for projects. However, ATAC has been deeply involved in the regional aviation forecasting process, especially concerning modeling parameters and assumptions.

Mr. Armstrong said that the proposed revised charter potential groups to include as members of ATAC and that ATAC would elect a committee chair and co-chair annually. Chair McNamee noted that this was normally handled as bylaws, not as part of a charter. Mr. Armstrong agreed to provide bylaws at the November meeting.

There was discussion about narrowing the membership versus the proposed new charter since ATAC votes and makes recommendations that s support the RTP. Members of the Committee expressed concern that an expanded membership might serve to dilute the voting process. As a forum for discussion, an expanded membership was welcome. The suggestion to include some groups as non-voting, ex-officio members was made. The Committee then had specific discussions about which proposed new members to invite as members of ATAC. The Committee also asked that consideration for ATAC to make recommendations about aviation legislation and federal rulemaking be added to the proposed charter. Members of the Committee also recommended adding language to allow ATAC to conduct peer review of projects at regional airports. It was noted that SCAG has no jurisdiction over the FAA, only comments on projects of regional significance, and cannot require projects be brought before ATAC.

Mr. Armstrong was asked to clarify what was meant in the proposed charter by the language referencing SCAG's development of staff-driven, airport-specific marketing plans. Mr. Armstrong said SCAG had tangentially touched upon the issue through surveys that had been conducted and anticipated work such as the Regional Airport Management Action Plan that could be used by airports to market themselves. This was primarily to look at up-front incentives for airports to use. The Committee agreed that an airport could bring a marketing study for peer review to SCAG. Mr. Armstrong said that SCAG had some tools to look at the potential success of marketing could be through enhancing service and increasing public awareness. It was clarified that SCAG will not, and cannot, do marketing but instead makes recommendations on how to implement the RTP.

It was noted that the charter should include language noting that ATAC should look at forecasts for airspace capacity as well as airport capacity.

Chair McNamee suggested the discussed changes to the proposed charter be made and brought back to the November meeting where bylaws could also be addressed. The committee agreed.

8.0 Miscellaneous Items/Announcements

Ms. Selena Birk noted that, consistent with an item brought forward by LAWA prior to ANCA, a seven-year phase out of noisier aircraft was being considered at Van Nuys Airport. A workshop was planned for October 7th. Mr. Bob Holden handed out a notice of availability and notice of a public meeting on the draft of the environmental impact report that LAWA planned to release for the Van Nuys Noisier Aircraft Phase-Out Project. This was direct by the LAWA Board of Airport Commissioners. Mr. Holden believed the ordinance could be grandfathered under ANCA as it was proposed prior the Act. The study focused on Stage II aircraft. Five potential diversion airports were identified in the report. Aircraft exceeding 85 decibels would be the first to be phased out with the ordinance eventually prohibiting out aircraft at 77 decibels from operations at Van Nuys over the planned seven year period. He then spoke about some of the amendments and exemptions that were added to the proposed ordinance. There will be 45-day public comment period for the EIR along with the planned workshop at the Van Nuys Flyaway facility from 3pm – 6pm on October 7th. The EIR focuses only on noise and air quality. The current plan is to bring the ordinance before the LAWA Board of Commissioners on December 15th after which the measure would go to the City Council. As Mr. Holden finished, there was a brief discussion about the criteria used to determine potential diversion resulting from the ordinance.

9.0 Future Agenda Items

The proposed new ATAC charter and potential bylaws will be discussed at the next meeting. Airspace considerations near Long Beach were also suggested.

10.0 Set Next Meeting Location

The next ATAC meeting was scheduled to be held in November 13, 2008 at the LAX Flight Path Museum.

11.0 Adjournment

Chair McNamee adjourned the meeting.

ATAC Members Present:
**Attendance based upon audio recording of ATAC meeting and Sign-in Sheet.*

Selena Birk	LAWA/Van Nuys Airport
Gary Gosliga	March Joint Powers Authority/March Inland Port
Bill Ingraham	Ingraham Consulting/San Bernardino International Airport
Chris Kunze	Long Beach Airport
Paula McHargue	LAWA
Todd McNamee	Ventura County Airport
Kari Rigoni	John Wayne Airport

Bob Trimborn	Santa Monica Airport

Others Present:

Peter Albiez	AOPA/CalPilots
Mike Armstrong	SCAG
Dan Burkhart	National Business Aviation Association
Mark Hardyment	Bob Hope Airport
Robert Holden	LAWA
James Jenkins	County of San Bernardino-Department of Airports
Mike Jones	SCAG
Jack Kenton	SCAUWG
Keith Mew	CSULA
Andrew Scanlon	DMJM Aviation
Richard Smith	Los Angeles County Airports
Lea Umnas	John Wayne Airport

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AVIATION TECHNICAL ADVISORY COMMITTEE PHONE/FAX/E-MAIL LIST

Last Update: 3/5/2008

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AVIATION TECHNICAL ADVISORY COMMITTEE PHONE/FAX/E-MAIL LIST

Last Update: 3/5/2008

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Last update *11/3/2007* *Doc# 133559*

MEMO

DATE: November 13, 2008

TO: Aviation Technical Advisory Committee

FROM: Michael Armstrong, Aviation Program Manager
213-236-1914/armstron@scag.ca.gov

SUBJECT: Summary of Draft Report for Regional Airport Remote Terminal Study

Citigroup Technologies recently completed a draft report for the Regional Airport Remote Terminal Study (former name: Regional HOV/FlyAway study). This study evaluated the demand potential of new Remote Terminals (same as the Los Angeles World Airport's existing FlyAways) to help decentralize the regional aviation system by providing more convenient and predictable ground access to underutilized suburban/secondary airports in the region. Andrew McKenzie of Citigroup Technologies will make an extensive presentation on the study at the November 11, 2008 ATAC meeting, including additional and revised findings compared to the ones listed below.

Listed below are the major findings from the draft study. They are divided into general findings about demand for Remote Terminals in the region, and specific demand modeling results, using the Regional Aviation Demand Model (RADAM).

General Findings on Demand Modeling for Remote Terminals in the Region

RADAM modeling of five randomly selected sites throughout the region showed that they have strong demand for Remote Terminal service given sufficient publicity and public awareness, particularly of high-occupancy vehicle lane (HOV) bus options. The five randomly selected sites showed ridership that was proportionate to the target airport's flight portfolio and sensitive to airport location. Remote Terminals are a highly viable option given certain prerequisites:

- The Remote Terminals need to be adequately synchronized with flight schedules at target airport(s) with at least hourly service.
- Sufficient distance to airports to warrant HOV buses as a competitive mode of access to other modes of transportation. Sites too close to target airports performed poorly compared to sites with similar concentrations of air passengers located further away.
- Target airports need sufficient passenger demand to justify HOV bus service. For smaller airports (low MAP levels), the distribution of air passengers among the available modes of transportation leaves too few passengers to consistently fill enough seats on HOV buses to make them economically feasible. Remote Terminals are only reasonable for airports that have established a solid base of at least domestic short- and medium-haul flights.

- Smaller emerging airports attract Remote Terminal passengers from passenger clusters in the region, but their total passenger demand (MAP) is too low to justify sufficiently full HOV buses with the necessary frequent headways. On the other hand, expanded bus headways make the HOV bus service less attractive to passengers particularly those taking short and medium haul flights. To address this dilemma, instead of large, 50-seat HOV buses the Remote Terminals at smaller airports should operate comfortable, large shuttle vans similar to those used by up-scale hotels for passenger pick up from airports. These Remote Terminals could be expended to full service Remote Terminals in the future depending on demand and service potential.
- Demand for Remote Terminals rises proportionally with increased congestion and fuel prices. The greater the congestion and unpredictable delays, the greater the capture of passengers by Remote Terminals. In modeling, demand for Remote Terminals increased consistently as infrastructure became more congestion in the region. Under these circumstances more passengers selected Remote Terminals, particularly lower income passengers who have heretofore used mostly autos for assessing airports. This demonstrates that as regional congestion increases through 2035 so will the demand for Remote Terminals.

- No direct competition from nearby high-speed train stations. Demand at Remote Terminals located near potential high-speed rail stations (i.e. in the adopted SCAG 2008 Regional Transportation Plan) dropped significantly in comparative modeling of both modes of transportation side by side.

- Public knowledge of Remote Terminals is a prerequisite for successful capture of a greater share of the air passenger market. Remote Terminal options should be available to the public booking flights in the U.S. as well as abroad for inbound passengers. Remote Terminal information should be available in all major languages at origin and departure airports.

- Public campaigns emphasizing that Remote Terminal service as a reliable and on-time form of transportation is a prerequisite marketing tool to increasing acceptance and ridership. Hence the HOV system must be appropriately managed to insure on-time performance. Remote Terminals should not require more time to access target airports than by car, and ideally should require less time than by car.

- In surveys, air passengers showed high interest in HOV bus fares and noted that lower fares will make the system more attractive for most potential users. In order to keep the fares low and at the some time to make the HOV buses more financially feasible, it would be beneficial to spread the subsidies among multiple airports served by a single Remote Terminal.

- On the other hand many respondents indicated that business passengers would prefer to pay a higher price for business/first class seating and steward service on HOV buses. This would help attract a higher ratio of air passengers traveling First or Business class seeking greater comfort and willing to pay significantly more than $4 for more exclusive ground access transportation.

- The success of the Remote Terminal will hinge on comfort on HOV buses (traveling ambiance) and the degree to which Remote Terminals can assume more of the functions performed at the target airport. Basic booking functions, electronic ticket issuance, luggage tracking, and other air travel functions should be available at Remote Terminals.

General demand modeling of Remote Terminals showed the following spatial variations in the region:

- Any randomly selected site showed demand, even some located relatively close to competing hub airports. For example, a theoretical site at the Veteran's Administration Hospital near UCLA showed some demand for BUR (at 6 MAP) even though it is located closer to LAX. However, ridership increased nine fold (or on par with Van Nuys FlyAway) when, for comparative modeling purposes, the existing Westwood bus stop was re-configured to a full service Remote Terminal and re-located to the southwest corner of the Veteran's Administration facility just north of Wilshire Bl.

- A hypothetical site just south of the USC campus near the museum complex, proved to be far less successful in capturing passengers to LAX and is not feasible in terms of HOV bus service to ONT. Another site near the University of California, Irvine proved marginally productive in terms of service to LAX with air passengers reporting low propensities for transit.

- In terms of general viability of Remote Terminals in the region the modeling established some exceptions. The Wilshire corridor in Beverly Hills, Pacific Palisades, Century City, Newport Beach, Laguna Beach, Malibu and other affluent areas showed a relative lack of interest in HOV bus service or transit in general. In addition, these sites showed low propensities for using small suburban airports with limited short, and medium-haul service. However, all of the above showed high propensities for up-scale shuttle van service to LAX as well as for John Wayne Airport (i.e. Newport Beach, Laguna Beach)

- Modeling indicated that a higher-end shuttle van service with first- or business-class service would be very successful in capturing passengers from the abovementioned affluent areas to established urban airports but not necessarily to suburban airports. In addition, the modeling showed that regularly scheduled shuttle vans with headways comparable to HOV buses could successfully compete with other modes of transportation.

- However, some higher income retirement communities (i.e. Seal Beach and Camarillo in Ventura County) showed high propensities for using HOV buses but low overall volumes to justify locating Remote Terminals there.

Specific Findings on Demand Modeling for Remote Terminals in the Region

RADAM demand modeling of specific Remote Terminals produced the following results. Most of these sites were identified in consultation with various airport staff and staff from local ground transportation authorities. Efforts were made to locate proposed new Remote Terminal sites at existing or planned transportation centers to minimize land availability land use compatibility issues associated with new Remote Terminal facilities including having sufficient secure parking. Proposed new sites modeled include the ARTIC center in Anaheim, the Irvine Transportation Center, the Sierra Madre Gold Line Station with an assumed extension to ONT, Pasadena (Rose Bowl), a site near March Inland Port (planned Ramona Station Terminal on the Perris Line), the Thousand Oaks Transportation Center, the Ventura County Fairgrounds, the Santa Clarita Via Princessa Metrolink Station, and sites at Corona and Palm Springs airports. Proposed

new FlyAway sites being evaluated by LAWA were also modeled, including sites in San Pedro, El Monte, Norwalk and North Hollywood/Universal City. Major findings from the modeling include the following:

- Overall, the specific modeling found that Flyaway/Remote Terminal service can boost demand to smaller airports and re-direct some traffic away from the more congested urban airports. However, it cannot provide significant congested relief to capacity-constrained urban airports by moving significant portions of air passengers to suburban airports with limited flight service. Nevertheless, the Remote Terminal system could help remove vehicles from congested freeways and arterials and as the system expands become more effective in achieving decentralization goals.

- Since Remote Terminals lower the overall cost of traveling while enhancing convenience and security, they will have a positive impact on reducing latent or unmet demand. In addition the convenience associated with Remote Terminals such as remote check-in closer to home, low-cost parking, ability to book and re-book flights and waiting facilities, not to mention connections with other mode of transportation as transportation centers, will also help generate additional demand for the aviation system. Most importantly, this additional demand will be generated at airports with excess capacity in suburban areas as opposed to congested airports struggling to meet demand within their constraints.

- At the present time the LAWA planned FlyAways are designed primarily to relieve ground access congestion to LAX and ONT rather than to divert passengers to suburban airports, with the exception of PMD. Efforts to support growth of Palmdale Airport will be severely hampered by PMD's low passenger levels and the beleaguered airline industry's lack of interest in additional airport facility investments.

- When Ontario International is served by Remote Terminals/flyaways at Artic Center, Sierra Madre Station, March Inland Port, Union Station and Palm Springs the total Remote Terminal/FlyAway ridership was 439,419 annual passengers in 2010. This total is comprised of passengers who shifted from other modes of transportation as well as approximately 56,000 new annual passengers or induced demand. The total air passenger allocation to ONT increased from 9.729 MAP to 9.785 MAP in 2010, representing the induced effects of the HOV-bus system from the five selected sites. This additional induced demand generated by Remote Terminals is significant in light of current flight reductions by airlines. Potential inducement effects will depend not only on the services offered at a single Remote Terminal or FlyAway but also on the entire system supporting future flights portfolios at all the airports.

- The trend of increasing the allocation to ONT continues in 2035 but the inducement effect is stronger than in 2010. Previously, approximately 23% of the total Remote Terminal/FlyAway ridership represented new passengers to the system, who without the HOV option would not have flown from ONT in 2010. In 2035, approximately 23.7% of all Remote Terminal ridership represents an additional passenger demand (induced demand) for ONT for a total of 32.344 MAP, which depending on the future aircraft fleet may be possible for the runway system. For modeling

purposes it was assumed that ONT would be unconstrained to accommodate the induced effects generate by the Remote Terminals/FlyAways.

- Supported by the network of the above Remote Terminals/FlyAways, ONT increased its total passenger allocation by 815,494 annual passengers. These are respectable results considering that this additional demand represents a significant new source of revenues for airlines operating at ONT.

- For PMD the ability of the HOV-bus system to shift demand will largely depend on the level of air services that can be attracted to it in the near future. By 2035, the SCAG Aviation Plan forecast an allocation of 6.27 MAP to PMD in light of the constraints placed on all the urban airports, particularly on LAX.

- Modeling for Palmdale (with Remote Terminals at the Van Nuys and Union Station FlyAways, and the Santa Clarita Via Princessa Metrolink Station) indicates that total demand will increase from 5.27 MAP to 6.345 MAP in 2035. Of the total of 307,346 annual passengers attracted to the HOV-bus service, 24.7% will represent new induced demand for PMD. This translates into a revenue stream associated with approximately 73,978 annual passengers.

- Part of the reason why the HOV-bus service to PMD attracts so many new passengers is access via a single route, the Antelope Valley Freeway (Rte. 14). This facility is recurrently congested starting with 5 AM for LA-basin inbound traffic. By 2035, it is projected to carry significantly more traffic with the continued growth of the Antelope Valley. The resulting congestion and possibility of closures due to accidents make the HOV-bus option more attractive than to airports with multiple access routes.

- As was the case with ONT and PMD, San Bernardino International (SBD) also increased its passenger allocation when connected to three remote terminals at Corona Airport, Palm Springs Airport and the Sierra Madre Station. The Palm Springs and Sierra Madre sites are shared in this scenario with ONT. The results indicate that improved accessibility to SBD will increase its allocation from 3.28 to 3.32 MAP in 2035. While 214,936 passengers will be carried by the HOV-Remote Terminal buses, approximately 19% will be new passengers who opted for using SBD due to the new mode of access. This is less than the inducement effect of the other airports, but it still translates into 40,683 annual passengers for a small airport in the vicinity of a 32.3 MAP international facility nearby.

- March Inland Port is a special case in this particular scenario since it shares its passenger market with the major international facility at ONT and the smaller SBD. Therefore, the passenger forecast for March Inland Port is lower than they would be without competition from neighbor facilities. The facility is limited to serving up to 2.5 MAP to insure that military operations are not infringed upon. Any additional demand generated by Remote Terminals/FlyAways will be included in the 2.5 MAP figure.

- In summary, the Redistribution Scenario proves that Remote Terminals/FlyAways have positive effects on ground access but also on the redistribution of passenger demand in the region. In total,

the large ONT and the three smaller airports (PMD, SBD, March Inland Port) will increase total regional demand by 930,155 annual passengers in 2035. This is almost a million additional passengers generated by Remote Terminals/FlyAways serving one large (Ontario International) and three smaller suburban airports in 2035.

- Three Remote Terminal sites were selected to model potential ridership to John Wayne Airport: Downtown San Diego (in the vicinity of the Amtrak station), Oceanside and the ARTIC Center in Anaheim. JWA was assumed to be constrained to 10.8 MAP in the modeling, consistent with its current Settlement agreement, and San Diego International was assumed to be constrained to its physical capacity of 22.9 MAP. By 2035, about 627,000 passengers would use these Remote Terminals to access JWA. The highest ridership would be from the ARTIC and downtown San Diego sites, at 268,000 and 282,000 passengers respectively. There are significant VMT and emissions reductions associated with this service to JWA.

- Four Remote Terminal sites were selected to model potential ridership to Bob Hope Airport (BUR): a site at the Rose Bowl, the Ventura County Fairgrounds, the Palmdale Transportation Center and Union Station. BUR was assumed to be constrained to its physical capacity of 9.4 MAP in the modeling. By 2035, a total of about 534,000 would use these Remote Terminals to access BUR. The highest ridership would be from the Ventura and Rose Bowl sites, at 233,000 and 187,000 passengers, respectively. There are significant VMT and emissions reductions associated with this service to BUR.

- The three Remote Terminals/FlyAways currently serving LAX, Van Nuys, Union Station and Westwood, together served 1,374,000 passengers in 2007 (with the Van Nuys Flyaway serving the most at 946,000 passengers). RADAM modeling indicates that in 2035 these sites could together serve 6,348,000 passengers, with improvements to maximize their attractiveness to passengers (and LAX assumed to be constrained to 78 MAP consistent with the LAX Settlement Agreement). These improvements would include electronic check-in and on-site reservation services at Van Nuys and Union Station, and addition of parking/waiting areas at Westwood. With these improvements the Van Nuys FlyAway is forecast to attract the most ridership at 3,598,000 passengers.

- Additional Remote Terminals that would serve LAX were modeled including the Anaheim ARTIC Center, the Irvine Transportation Center, the Santa Clarita Via Princessa Metrolink Station, the Thousand Oaks Transportation Center, the Ventura County Fairgrounds, the planned Ramona Station Terminal on the Perris Line near March Inland Port, and sites at Universal City, San Pedro, El Monte and Norwalk. The sites that attracted the most ridership to LAX in 2035 include the ARTIC center (3,022,000 passengers), the Irvine Transportation Center (2,511,000 passengers), Universal City (2,449,000 passengers), San Pedro (1,274,000 passengers) Via Princessa (1,177,000 passengers) and Thousand Oaks (1,108,000 passengers).

- Modeling indicates that if Remote Terminals at both the Anaheim ARTIC Center and Irvine Transportation Center were in operation that there would be substantial competition between the two sites. The ARTIC Center performs better mainly because it is closer to international tourist attractions in Orange County and would be more convenient to all-inclusive tour operators.

MEMO

To: Aviation Technical Advisory Committee

FROM: Michael Armstrong, Lead Regional Planner
Armstron@scag.ca.gov/213-236-1914

SUBJECT: Summary of Boyd Group Aviation Forecast Summit

DATE: November 13, 2008

From October 5-7 I attended the Boyd Group Aviation Forecast Summit in Aspen, Colorado. The conference was attended by about 250 people, mostly representatives from the airlines, aviation service industries, aircraft manufacturers, and airports from around the country. From the roster of conference registrants it appears that I was the only representative from the SCAG Region. Following is a summary of the key points that were made by the various presentations given at the conference.

Air Service Development Trends (Michael Mooney, Senior Vice President, The Boyd Group)

- Airline fuel costs are up 391% in five years, up 83% from 2007 to 2008.
- For regional jets, fuel is 14% of operating costs at 81 cents/gallon (July, 2003), 51% of operating costs at $5.00/gallon. Total segment operating costs go up 75% (50% for turboprops).
- For mainline jets, fuel is 9% of total costs at 81 cents/gallon, 37% of operating costs at $5.00/gallon. Total segment operating costs go up 44%.
- Nothing works at $4 a gallon—no airplane in the current fleet was designed to be flown at $4/gallon or even $3/gallon.
- Rising fuel costs are reducing the number of profitable businesses that involve the use of airplanes. Airlines have had only one profitable year in the last ten years.
- Over 30 airlines have failed globally in 2008. The US has lost 250,000 airline seats per day (13 airlines). Over 500 aircraft are getting parked.
- When a hub airport loses "critical mass" of the hub, many of its spokes don't work so the hub loses even more of its flights. The quality of the feed traffic is critical—the traffic a feed market generates must at least equal the costs on the connecting flight.
- Some smaller regional jets are being retired since they can't make money, and some markets they served will no longer be served (particularly those over 600 miles).
- This isn't a cycle, it is uncharted territory. The utility and ability of air travel has changed—it has shrunk due to costs. Airplanes cannot economically do what they did five years ago.
- The question is will airline capacity reductions stay ahead of declining, maybe collapsing air travel demand?

- For airports the name of the game is retention of air service, to hold on to what you have and to do everything you can to ensure the success of incumbent carriers including airport cost containment, marketing and promotion (especially to local business travel generators), and enhanced customer service.
- Capacity is way down and airline planners are running scared, it's a very tough time to go get new flights. Now, more than ever, recruiting new service requires a strong business case and incentives.
- Air service recruitment do's: be concise and realistic, respect their time, listen to their questions and comments and follow up. Bring a small group, two or three at the most, have a concise document with a realistic proposal and understand what the airline is looking for. Know your traffic potential, key business travel demand, local airline affinity, local economic data and airport costs. Be patient, it may take years.
- Air recruitment don'ts: do not bring a large delegation, start a letter writing or e-mail campaign, question their wisdom or professional skill, or bring up carrier performance issues the planner can do little or nothing about (such as "the flight was always full, why did you drop it?"). Use political pressure carefully, it may backfire.
- For the comprehensive network carriers, no growth is expected over the next two years, with yearly capacity reductions of up to 10%. For the low cost carrier, fuel costs have caught up with them too--all are in reverse gear with capacity expansion on hold.
- Airlines are much less concerned with market share. It is now strictly revenues vs. costs.
- There has been a sharp decline in price-sensitive passengers due to reduced capacity and consumer spending. The effect on business travel trends is less clear.
- Other than for investment purposes, there are no compelling market reasons for more major airline consolidation. Consolidation is already in the works, in the form of capacity reductions.
- Labor is not in a good mood, concessions of 2002-2003 are getting old. Rank and file don't want to hear about $100 oil right now. They will walk away from the table with either more money or a strike poster. American Airlines and it pilots and United Airlines and its unions are far, far apart.
- In today's environment, more cost reductions and revenue enhancements are inevitable.
- Just flying less and parking airplanes will only turn a large dysfunctional system into a smaller dysfunctional system, and adding fees isn't a panacea.
- The only real solution is to restructure how airlines move planes across the sky.
- "Open Skies" will not have a big impact. Markets that can be served economically are already being served.
- International aviation trends will be to connect regions, not cities. For example, the single largest intra-regional growth potential is Asia-Latin America. US hubs are in the middle, and can provide enormous connectivity between Asia-Latin America markets. International carriers will increasingly become global carriers, and domestic, non global-centric may be out in the revenue cold without strong international cross-connectivity.
- International service will be helped enormously if delivery delays of the A380 and B787 can be resolved.

- General and business aviation are shrinking at the top and the bottom. Rising fuel prices will have a big impact on general aviation, with entry level GA hit first and corporate flight departments hit next.
- The continued availability of avgas, and the future demand for single piston aircraft are both open questions. GA airports should consider wider economic applications.
- The very-light-jet (VLJ) "revolution" is over. The original concept of the <$1million "everyman's" small jet is now dead. Adam aircraft is gone, and the Eclipse-500 is now nearing $2 million a copy. The remaining VLJs from traditional manufacturers will sell well, but they won't create the huge market envisioned by Eclipse. The VLJ Air Taxi never had an economic chance.
- There is a huge opportunity to cut fuel burn if congestion and delays could be reduced. However, no air traffic control plan is in play that is going to do anything. Delays and inefficiencies from an inadequate ATC system will continue even though the technology is available and the solutions are relatively straightforward.
- At the federal level, leadership is completely missing, nobody want to step up to the plate. FAA re-authorization is just an argument over who is going to pay for continued non-results in upgrading the air traffic control system.

Key Aviation Trends and Emerging Dynamics (Michael Boyd, President, The Boyd Group)

- In major markets, airlines are trimming, not cutting. Tourist markets that are trimmed (e.g., Las Vegas, Orlando) can have a big trickle-down impact on the tourist industry (hotels, etc.).
- Hubs are constricting. Some feed markets just don't pan out.
- It's not the traffic that will drive capacity, it's whether that traffic can be profitable. Fuel costs have eliminated many formerly-viable mission applications, maybe forever.
- For general aviation, avgas is getting too expensive. Entry level GA will have a problem—getting pilots licenses is too expensive. The VLJ market is dead.
- There will be more airline alliances, but not more consolidation. International carriers will need to diversify and become global carriers (e.g., US carriers flying South America to China).
- Internationally 20 airlines facing bankruptcy. In the US maybe only the Big 3 will remain.
- There is no national leadership in aviation. Most delays are related to air traffic control problems.
- The air traffic control system remains a national embarrassment, causing airlines to burn 15% more fuel than they should. Fifty percent of delays in the national system originate from New York airspace.
- Peak hour pricing doesn't work because there is no peak hour.
- In the near future 60% of passengers will be booked by the three major on-line systems: Expedia, Travelocity, and Orbitz (40% currently).

- For most markets service isn't coming back. The underlying problems of the industry must be solved, and airlines must become more efficient and customer-friendly. They must cut costs and find revenue enhancements.

Opportunities and Challenges for Not-So-Niche Carriers (Brandon Peterson, VP Int'l Marketing and Sales, Alaska Airlines)

- Because of rising fuel prices and the US economy the airline industry is in big trouble.
- For Alaska fuel costs have risen from 18% to 40% of total operating costs over the last several years. Fundamentals of the airline industry don't work with oil at $90/barrel.
- Airlines must cut capacity and redeploy aircraft to preserve and enhance cash balances.
- Airlines must boost unit revenues by fee increases, increasing load factors, reducing fuel consumption, and controlling non-fuel costs such as reducing staff.
- Airlines need to increase fares, impose fuel surcharges on cargo, change frequent flyer mileage plans, unbundle fares (second bag fees etc.) and explore all ancillary revenue opportunities. Anything and everything is now on the table.
- Alaska plans to increase capacity in California markets to defend against Virgin and Jet Blue, and replace MD-80's with 737-800's.
- Alaska has the youngest and most fuel-efficient fleet in operation in the US. It plans to reduce weight of aircraft and reduce idling on ground, and further improve on-time performance and customer satisfaction. It has a track record of innovation.
- The industry needs more progress from Federal regulations on using on-board navigation equipment.

The Global Outlook for Air Cargo and Distribution (Neel Shah, VP-Cargo, Delta Airlines)

- Globally air cargo is forecast to grow by 5.8% a year compared to 5.0% for passengers
- US passenger carriers have not taken an active interest in air cargo, accounting for only 4% of their revenues compared to 15% in Europe and 35% in Asia. Carrying cargo can make the difference in profitability since the marginal costs are very low.
- Delta thinks about cargo differently. They do joint passenger/cargo payload planning.
- The domestic market is now very fragile. When will customers walk away with all of the add-on fees? Serving cargo can help shore up demand and help weather down times.

Deal With It: The Future's Bright—The Boyd Group Fleet Forecast (Michael Boyd, President, The Boyd Group)

- No airplane flying was designed with the concept of $50 oil in mind, let alone $100. The current transportation system is not compatible with $50-100 oil.
- Rising fuel costs are shrinking the economic range of aircraft.
- Growth in fleets is not necessarily the result of increased traffic demand. The reverse is more likely in the future.

- The system must fundamentally change—the fleet mixes and operational strategies must change, and revenue streams will shift.
- Revenue quality, not quantity will affect fleet decisions. The fuel-efficient A-350 and B-787 will be competitive imperatives. No such breakthroughs are seen in smaller categories.
- The viability of current mission applications is changing—historical data & trends are not reliable for future forecasting of fleets.
- With long-haul regional jets flying into connecting hubs, the fuel eats up the revenue contributed. Some feed markets now don't pan out—quality of the feed revenues is increasingly important.
- Fleet renewal is not one-for-one, is some cases it is park them now and worry later.
- The trend will be toward larger versions of platforms, not smaller one. Of concern: anything less than 80 seats.
- Global fleets forecast to grow 37% by 2018, to 23,565 airliners. With 5,700 new airliners in the 75-125 seat category, giant opening for new players. 58% of new aircraft will be replacement aircraft.
- With added fuel costs smaller regional jets simply can't do what they once were able to do. There are over 200 markets today served by 50-seat and below RJs that appear to be very much in jeopardy (70% of US markets are served by RJs, comprising 34% of departures). .
- The B-787 and A-350 will have an invasive effect on other categories due to breakthrough economics (causing more early retirement of 767 and 757 categories). Delays in the B-787 program have made the A-350 no longer a catch-up player.
- Turboprops will be niche players. There will be a small increased demand for new larger turboprops in high-density markets where small jets have no operational advantage, and the consumer base is not propeller-averse.
- There is nothing on or over the horizon that will economically fit smaller communities. The remaining fleets of 19-34 seat turboprops are getting pricey in the context of hub-feed roles.

Airbus Market Forecasts (Simon Pickup, Director Market Forecasting, Airbus)

- Airbus and Boeing have a record number of backlog aircraft orders (in 2007 Airbus set an industry sales record, and delivered 900 aircraft).
- Over 15 years traffic will double, expect current trends to rebound.
- Emerging countries will drive the world economy. India and Asia will be fastest growing markets.
- Asia will lead in world traffic by 2026 (North America currently dominates). The US will remain the largest market, with India and China the fastest growing.
- Over the next 20 years there will be a demand for 24,262 passenger and cargo aircraft (16,620 single aisle; 5,955 twin aisles; 1,698 very large aircraft).

Boeing Forecasts (Richard Wynne, Director Business Strategy-Marketing, Boeing)

- The Export-Import Bank is a significant financial of Boeing aircraft. The majority of global aircraft is purchased from debt financing.
- Aircraft are more than 2% more expensive since August, there has been a material pull-back from banks to preserve capital.
- New sources of capital for aircraft purchases need to be developed.
- Aircraft financing is increasingly based on aircraft assets, as opposed to airline credit.
- Aircraft is and will continue to be a highly valued and integral part of the social and economic fabric of the world, supporting about 8% of the world's GDP. In 20 years these economic benefits should more than double.
- Over the next 20 years the world economy is forecast to increase by 3.2%, number of airplanes in service by 3.2%, number of airline passengers by 4.0%, airline traffic by 5.0% and air cargo traffic by 5.8%.
- Aviation has made steady, significant environmental progress, with a 90% reduction in noise footprint and 70% fuel improvement and reduced CO2 per aircraft over the last 50 years. New generation aircraft such as the B-787 Dreamliner will provide another quantum leap in this environmental progress.
- The Boeing team is working hard to meet the first flight and delivery milestones for the B-787.

Bombardier Forecasts (Barry McKinnon, VP-Markets and Airline Analysis, Bombardier

- Over 3,300 jets in the 100-149 seat segment will be replaced over the next 20 years.
- There will be a growth of 6,300 new aircraft in the 60-149 seat segment, reaching a total of 17,300 aircraft in 2030.
- The "optimized turboprop" solution (i.e., Bombardier's Q400 NextGen Turboprop) has unbeatable short-haul economics, with enhanced comfort, jet-like speed, and low fuel burn and low overall operating cost.
- The "optimized regional jet" solution (i.e., Bombardier's CRJ NextGen, upsized to about 100 seats) also has optimized economics/lower operating costs, built with lightweight materials, using the latest engine and avionics technologies and designed for point-to-point feeder service for medium and long-distance routes where traffic volumes are low.

Fuel:Where It's Headed and Who's In Control (Ben Brockwell, Director, Data, Pricing & Information Services, Oil Price Information Service, Inc.)

- Anyone who still thinks that speculation did not have a significant role in the price of oil rising to $147 a barrel is a fool. One trading firm engaged in paper speculation controlled 11% of oil futures contracts.
- OPEC and the oil companies used to determine oil prices. Wall Street now determines the price of oil, and up until recently the market has been on steroids. The ongoing credit crunch has significantly dampened speculation in oil futures.

- Speculators follow the fundamentals, which are now plummeting downward. Oil could be $50 a barrel by the end of the year. The long-term balance point is likely $60-70 a barrel.
- Other forecasters predict oil back to $100 to $150 a barrel by the end of the year.
- The price of oil is predictably unpredictable, given past track records. There is big range to choose from in term of predictions about future oil price.
- There are some big new oil fields, but it will take years to get new oil to market. 80% of reserves are in politically unstable areas.
- Since 1998 the price of jet fuel has undergone wide swings, from $28.50 to $55.50 in 1998 to $245 to $435 in 2008, depending on world region.
- We need a new Manhattan Project to become free from oil. Fuel substitution is part of our future, and there is no turning back.

Building a New Airline & A New Airline Paradigm (Scott Kirby, President, US Airways)

- Air traffic control modernization is the key to greater airline efficiencies including less fuel consumption for all airlines. The technology is available and it should be very straightforward.
- Because of rising fuel costs there will be fewer 50-seat RJs and more 70-100 seat RJs, as well as more turboprops. This will be hard on small communities that may lose service.
- Low-yield markets like Phoenix and Las Vegas won't work as well as they did because of higher fuel costs.
- Carriers have to get their cost structures down and route structures rationalized. It will be harder for the low-cost carriers since their competitive edge will be eroded with higher fuel costs.
- Fares will be increasingly unbundled, such as charging for second bags.
- US Airways has new fuel-efficient A-330's and A-350's on order. All future growth will be in international markets.

The Regional Airline Future (Brad Rich, CFO, SkyWest Airlines)

- SkyWest has fixed fee contracts with major carriers. Markets typically have 50-60% regional flights (they range from 20% to 95%).
- Regional airlines can provide feeder flights cheaper than the mainline carriers since their cost structures are lower including labor, overhead and financing costs.
- Smaller feeder aircraft however congest the ATC system.
- SkyWest is aligned with two partners (95% of booking). Having multiple partners has become the norm for regional airlines. There has been some irrational competition—carriers are losing money just to win contracts with the mainline carriers.
- SkyWest is expanding its portfolio and finding alternative revenue sources and uses for aircraft. It is acquiring larger aircraft including CRJ-700 and CRJ-900 aircraft.

- More newer-generation turboprops may be used by the regional airlines in some markets where passengers respond to pricing and scheduling.
- The industry needs more fleet and route rationalizations. Consolidations are justified only if they eliminate redundancies.
- Markets changes are driven by major partners. However, SkyWest likes to control its customer relations start to finish.

Airports: USA—Airport Enplanement & Trend Forecast (Michael Boyd, President, The Boyd Group)

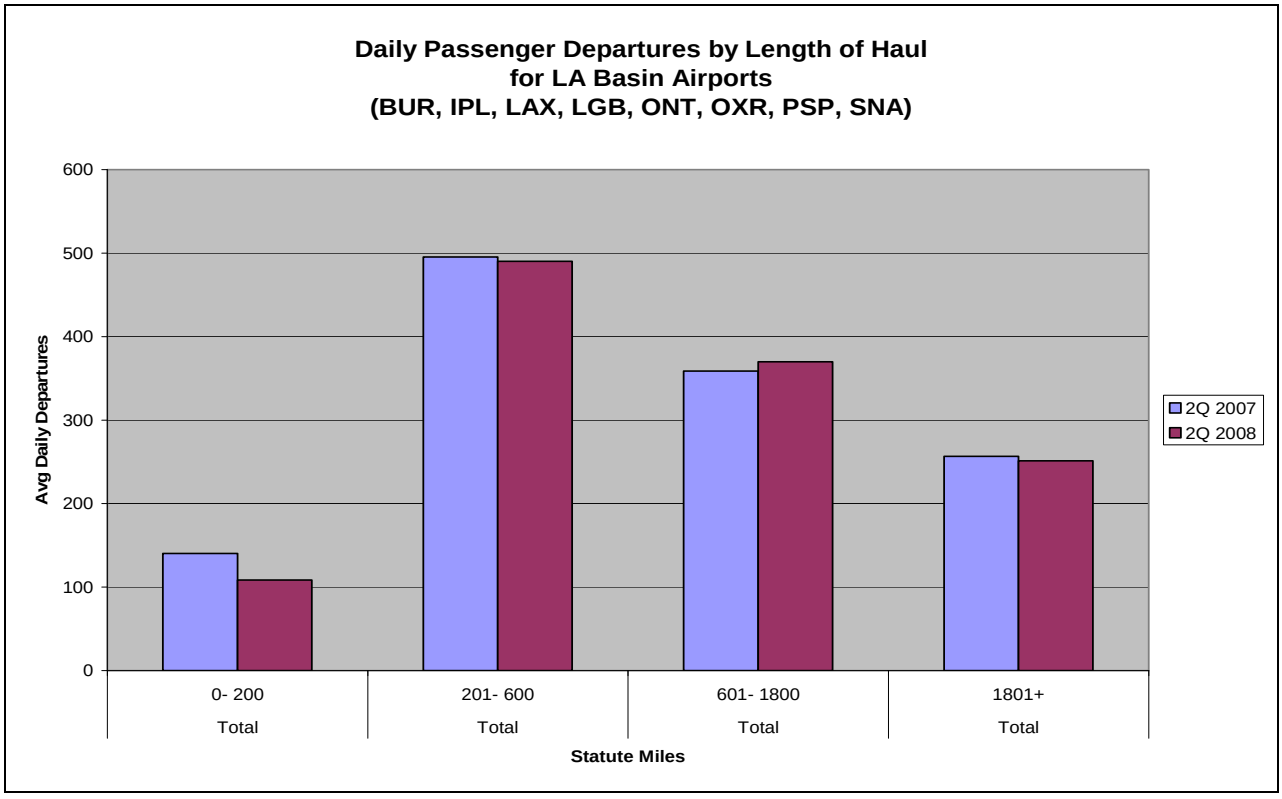
- The Boyd Group airport enplanement forecast (for 147 airports) is based on a bottoms-up methodology. There are uncertainties about what the economy will do and how much capacity pullback there will be on the part of airlines. It assumes that load factors will stay high. Extraordinary local factors were considered.
- Given ongoing flight cutbacks and fleet changes in response to high fuel costs, the past can't be used to forecast the future.
- Future traffic at airports will largely be determined by how much airlines pull down available capacity even in the face of strong demand, because of new economic factors.
- The economic hurdles to supporting air service are going up, both domestic and international. Discretionary dollars are going to decline.
- There will be no significant new airline orders. Airlines will mostly replace old aircraft, and retirements are certain, especially smaller inefficient aircraft.
- Low-yield markets like Las Vegas are problematic—consumer spending will contrict. Not all communities will lose service, some will gain.
- Hub reach is shrinking, and routes over 700 miles are in jeopardy. Low fare destinations will be challenged. Rural service will especially be challenged since 30-34 seat turboprops are becoming cost-problematic.
- Core international markets (but not marginal secondary markets) will be the major growth area.
- US carriers trimming not slashing capacity. The goofy "SkyBus" model that misled cities into believing they were viable markets is gone for the foreseeable future.
- Hub access will shrink based on distance and quality of the feed. There will be reduced frequencies and fewer routes to hubs. Thin feed markets will be cut.
- There is no substantive fundamental ATC fix on the horizon. "NextGen" is mostly formerly late programs re-scheduled.
- Airports dependent on streams of low-fare seats to support local industry need to re-consider their master plans.
- Enplanement Forecast summary (for all airports):
  2008-2010: -8.4%
  2008-2014: -3.6%
  2010-2014: +5.2%

- LAX is forecast to drop by 10.5% in enplanements from 2008 to 2014. This assumes some implementation of the Regional Decentralization Strategy adopted by LAWA.
- From 2008 to 2010, enplanements in the Far West Region (i.e., California, Nevada, Oregon and Washington) are forecast to drop by 5.0%. From 2008 to 2014 it is forecast to drop by 1.6%.
- Airline strategic capacity will be the main driver of traffic growth (or lack of growth) over the next two years.
- There are no dynamics in play to indicate a rebound in traffic. Growth will mostly be related to GDP, but also will be impacted by the cost of airline operations. There will pockets of growth, typically at some smaller airports where fleet shifts or changes in frequency will take place.
- Traffic drivers to watch include the cost of oil, slowing economy (impact of credit crunch), and airline flight consolidation and fleet shifts.

Quarterly Reports for Southern California Association of Governments (SCAG)

Produced by
BACK Aviation Solutions

2nd Quarter 2008



Based on Schedules Data

BUR- Burbank

IPL - El Centro/Imperial

LAX - Los Angeles (INTL)

LGB - Long Beach

ONT - Ontario

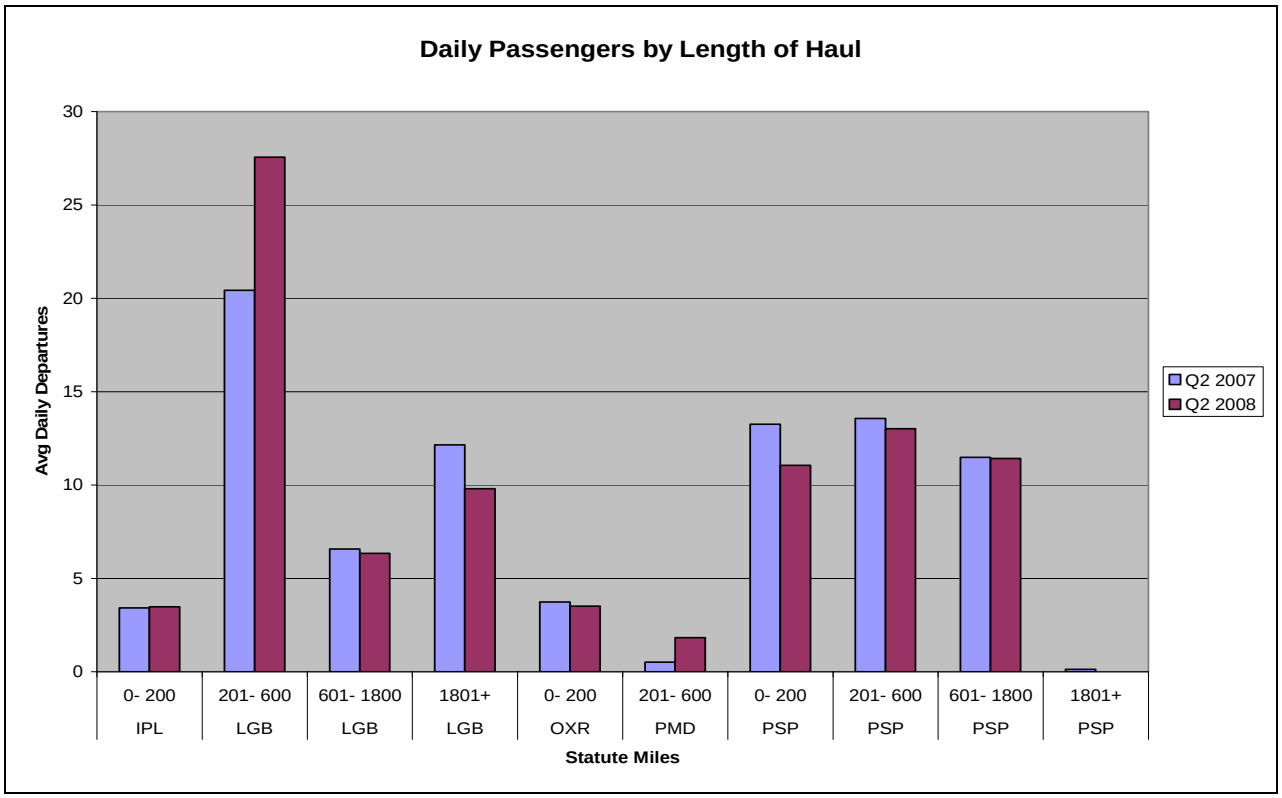
OXR – Oxnard/Ventura

PMD -Palmdale/Lancaster

PSP- Palm Springs

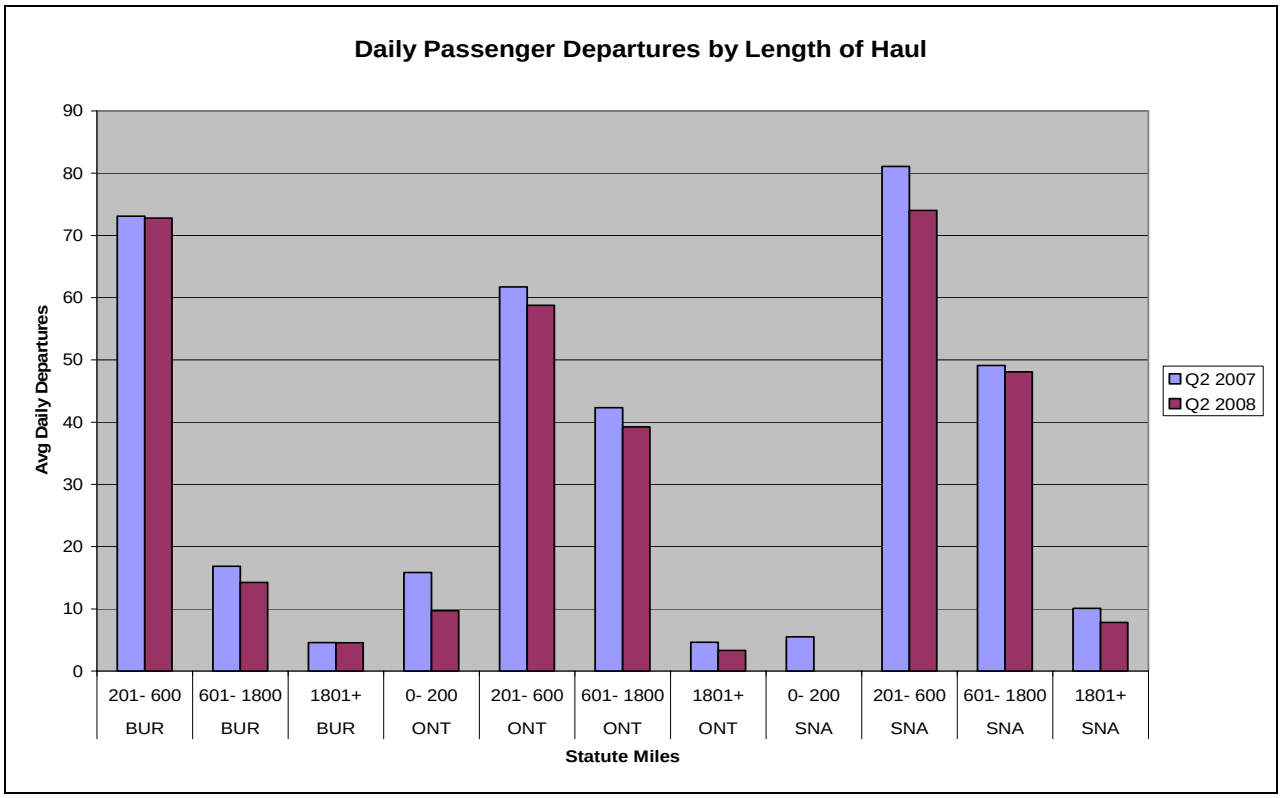
SNA - Santa Ana (J. Wayne)

Source: BACK Aviation Solutions- www.oagaviation.com 2

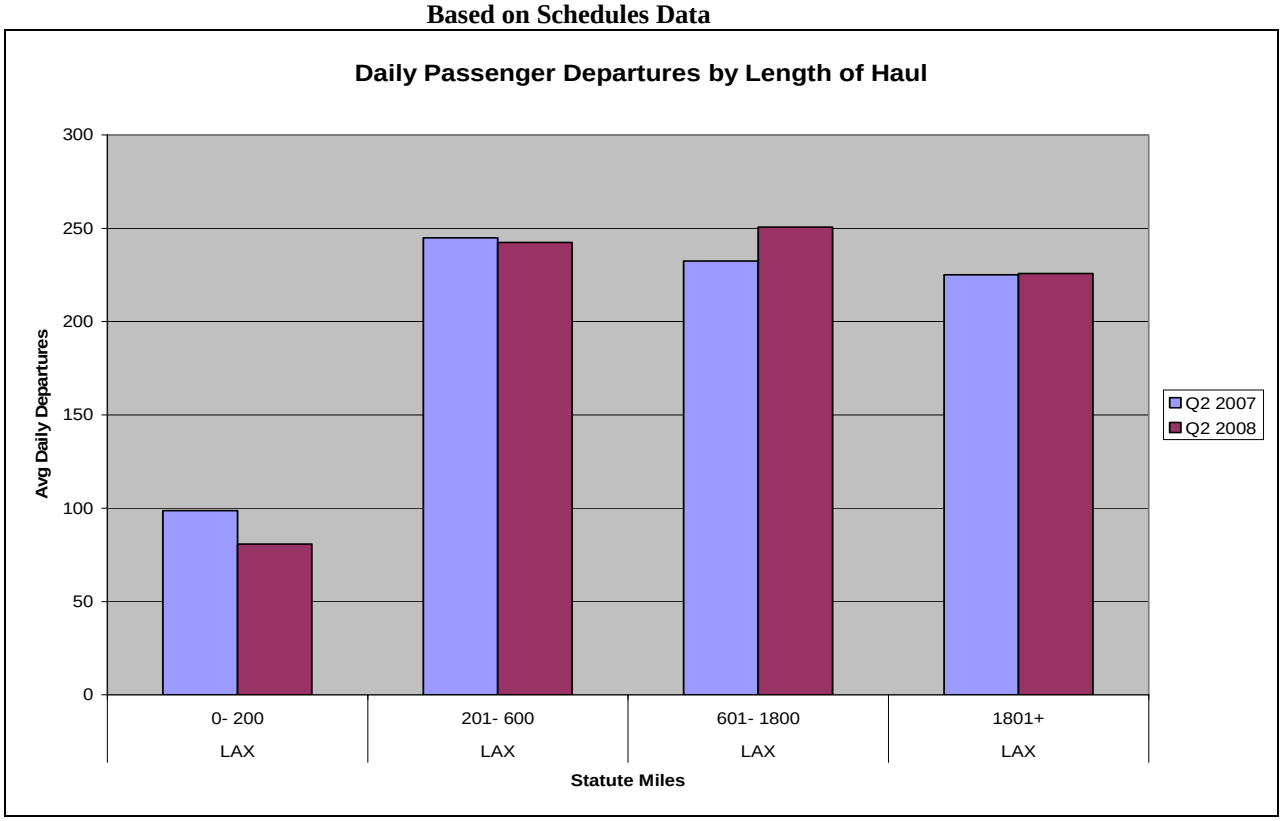


Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 3

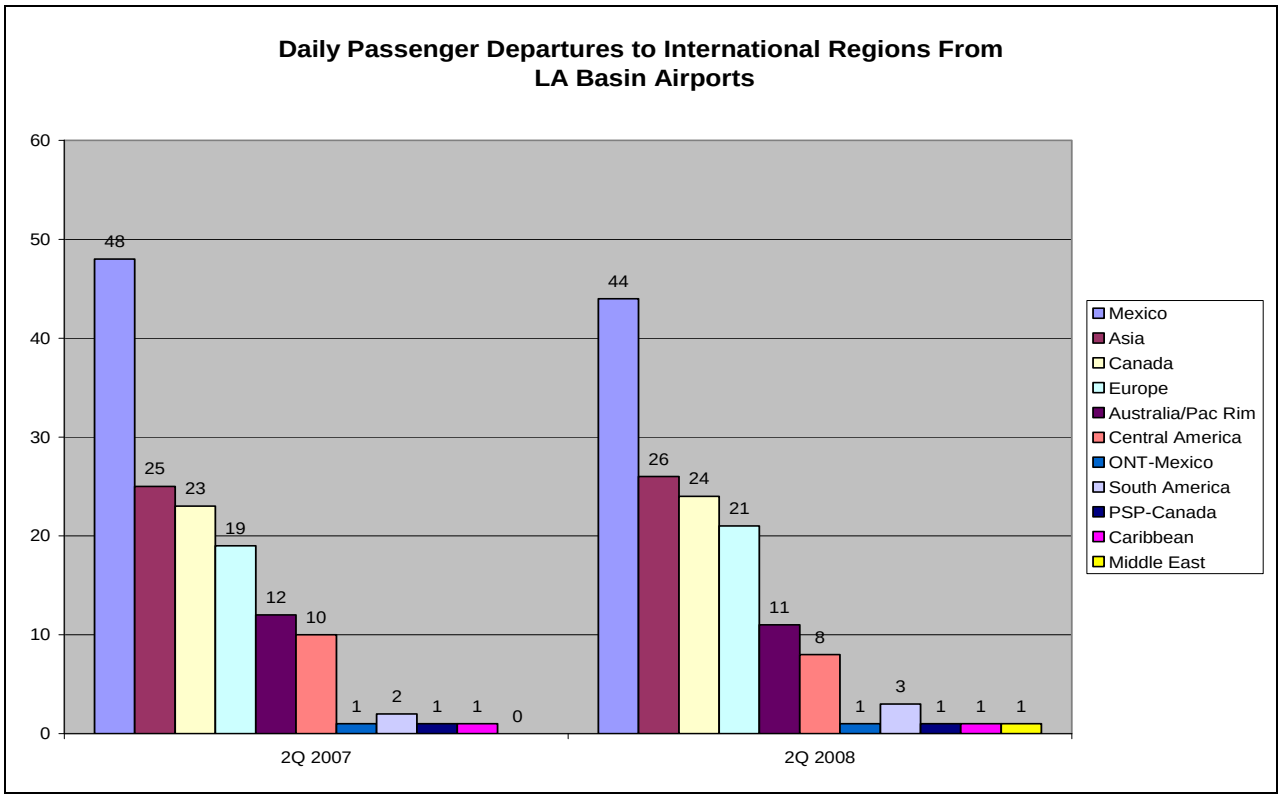


Based on Schedules Data



Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 4



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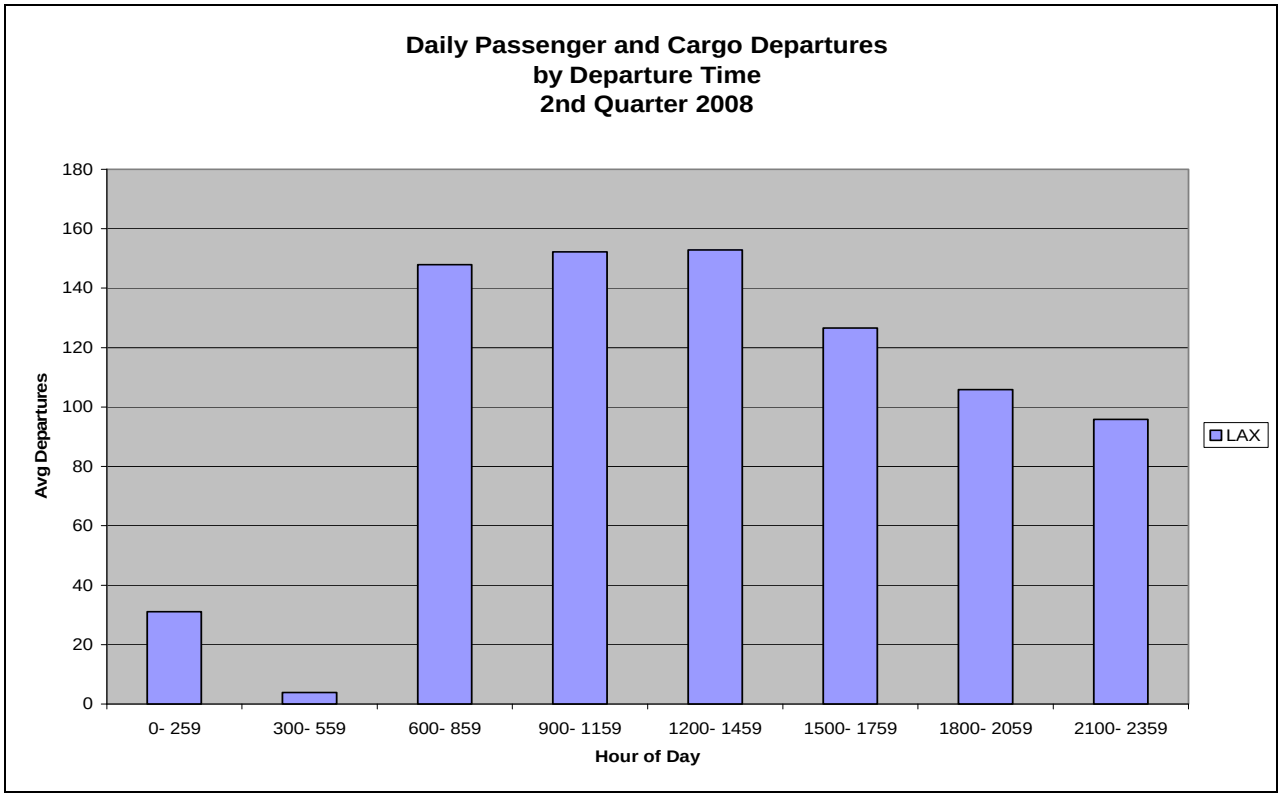

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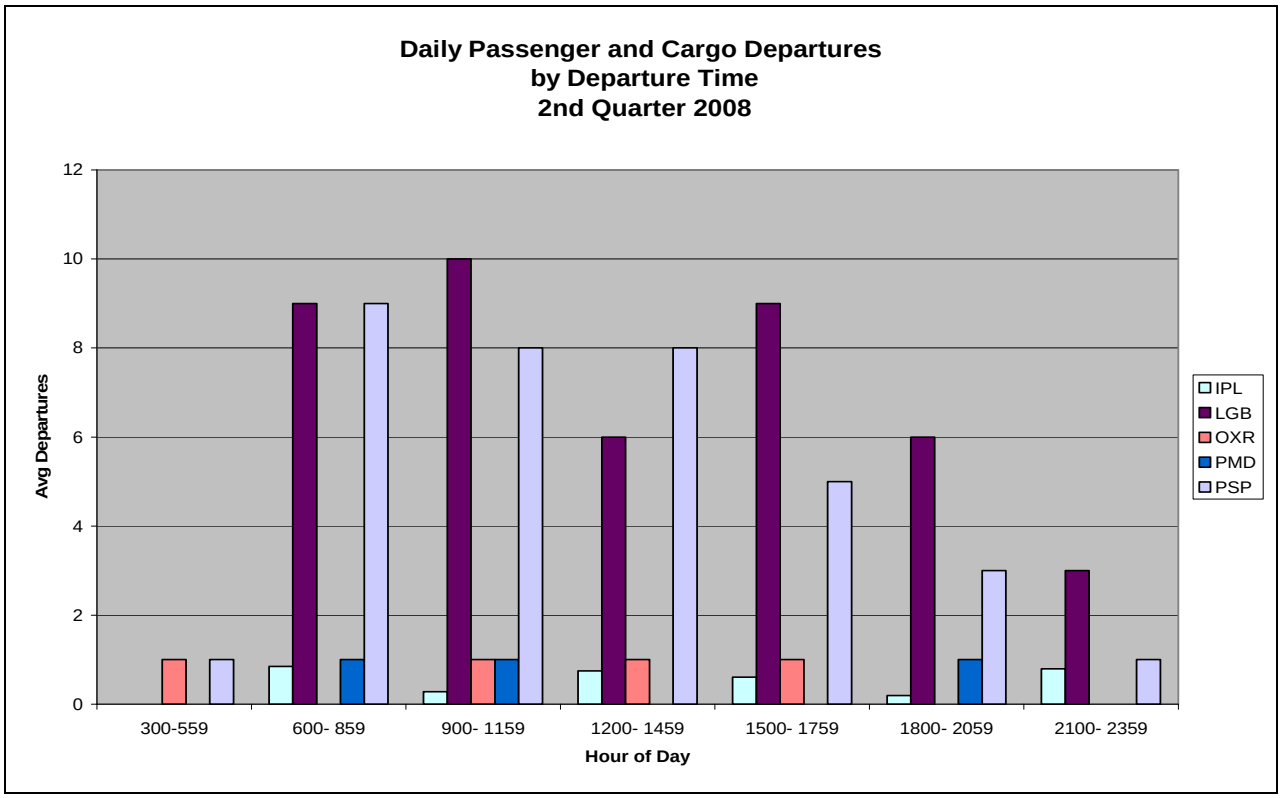

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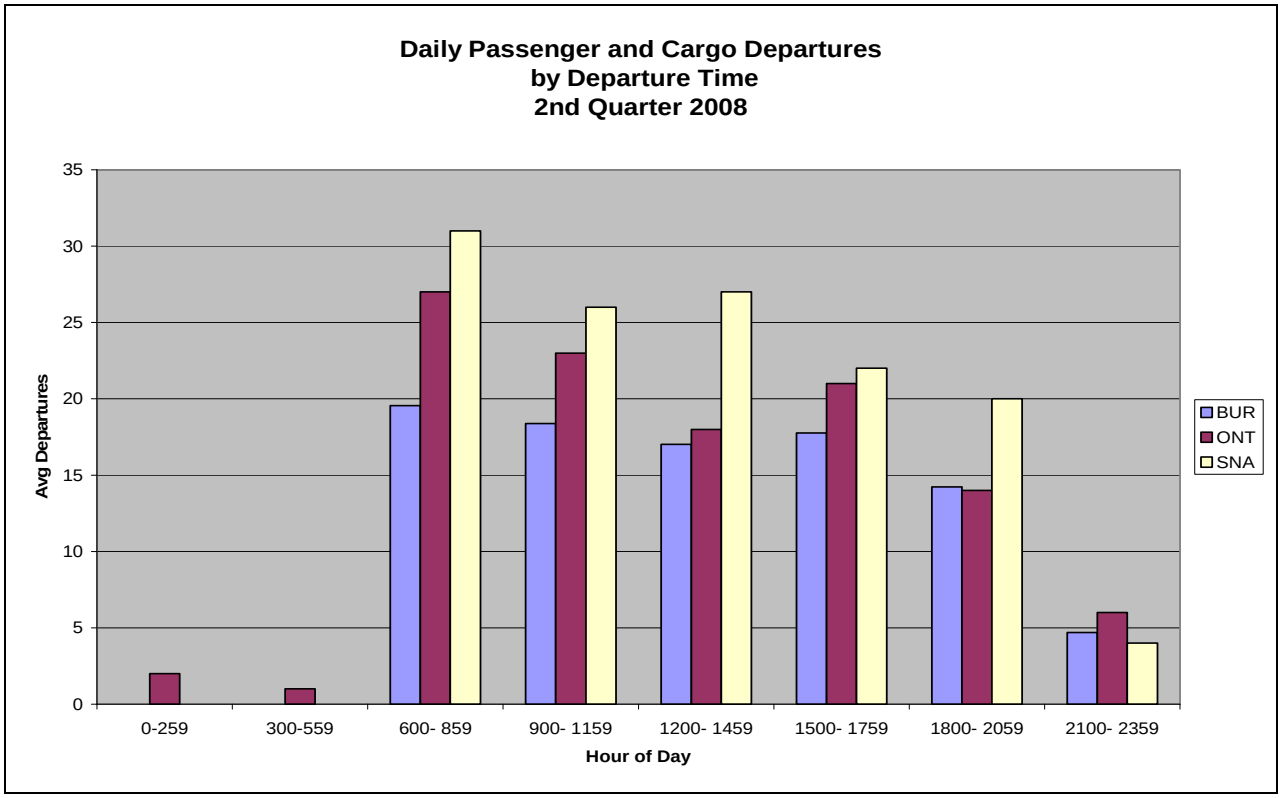
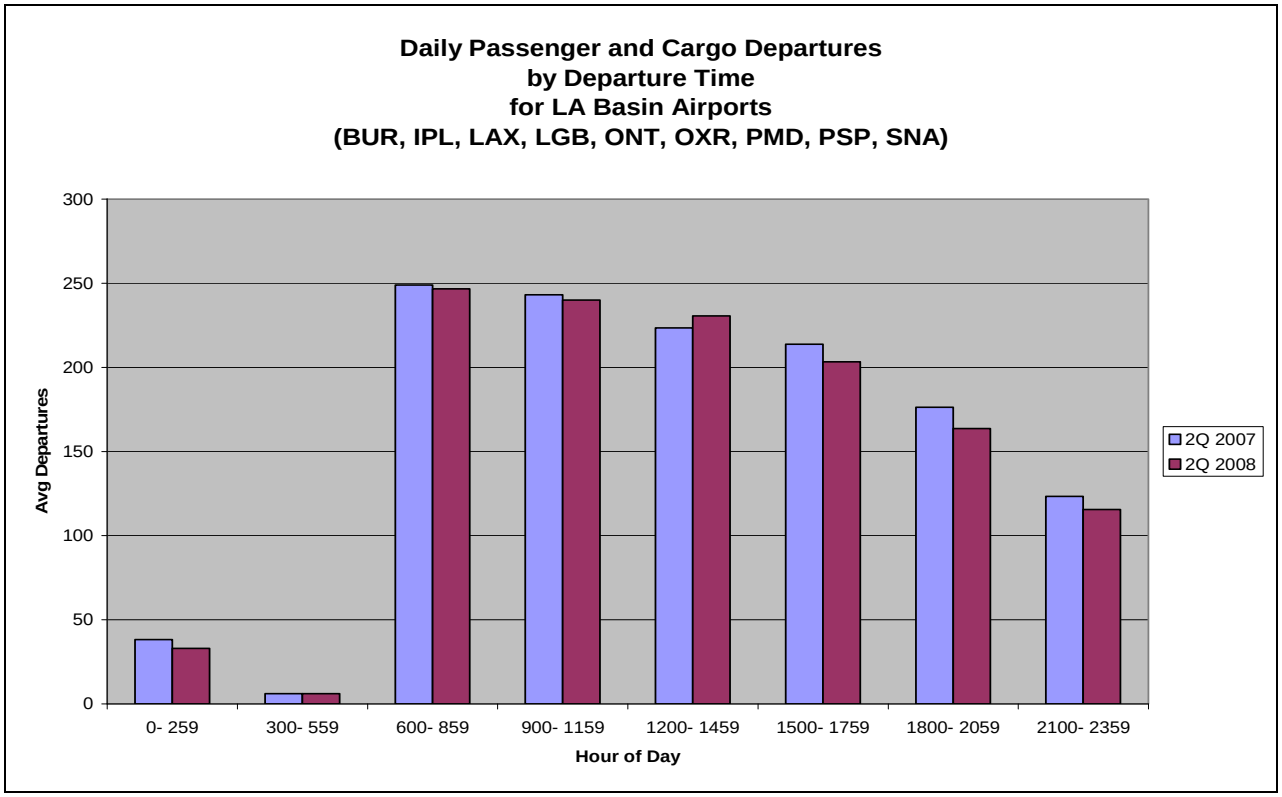


Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 6



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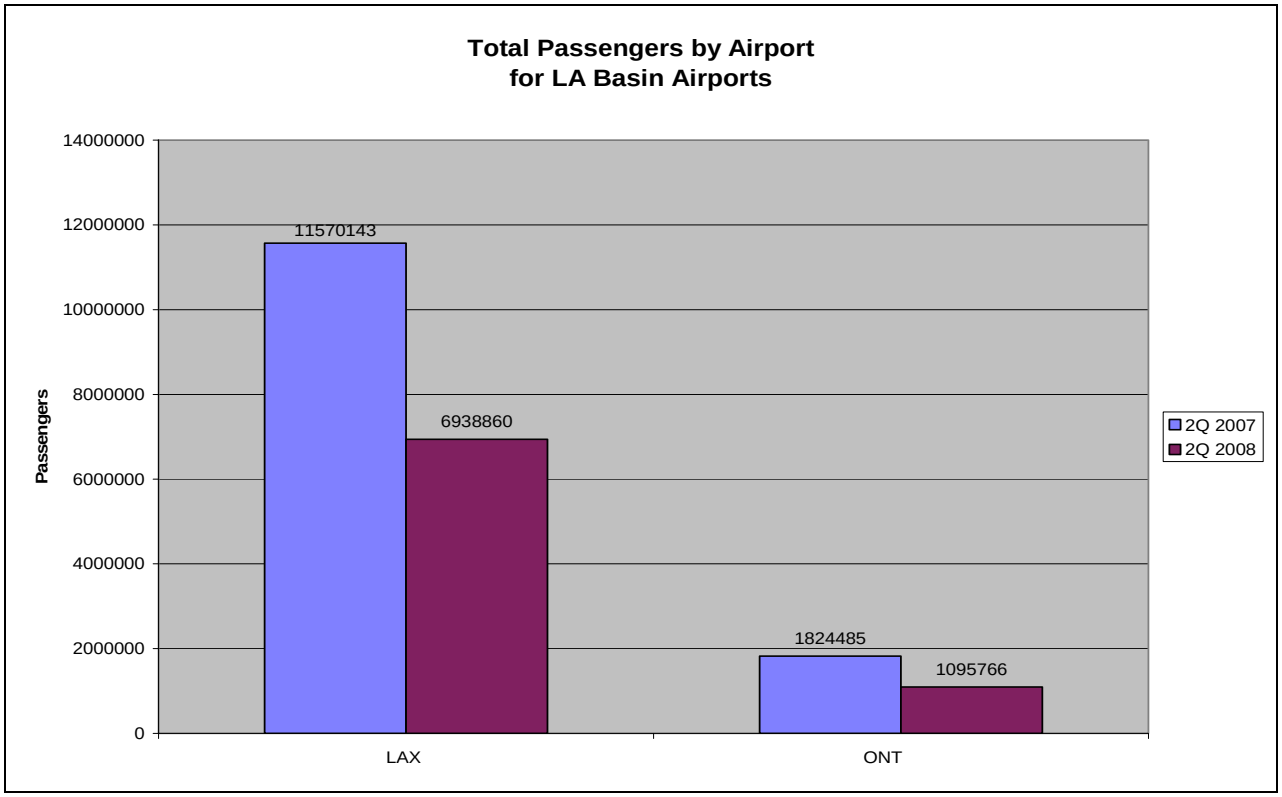
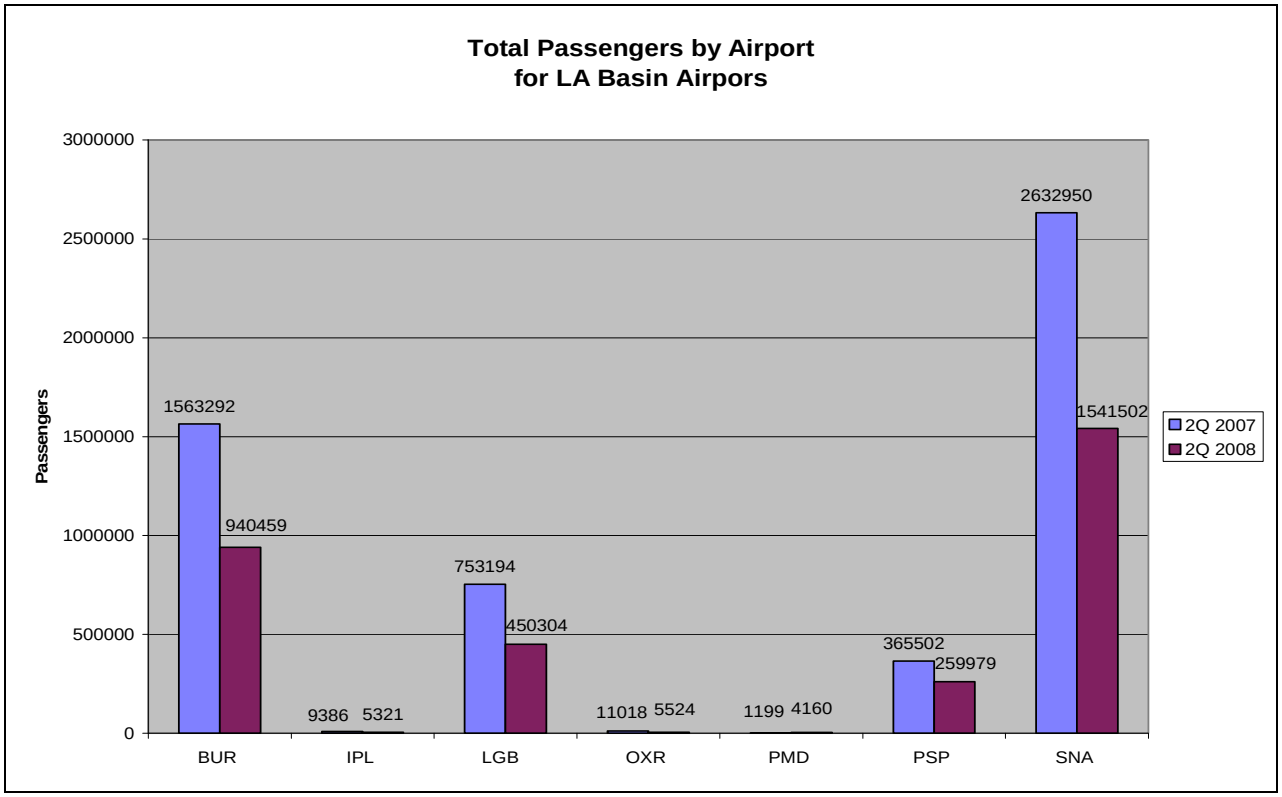


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 7



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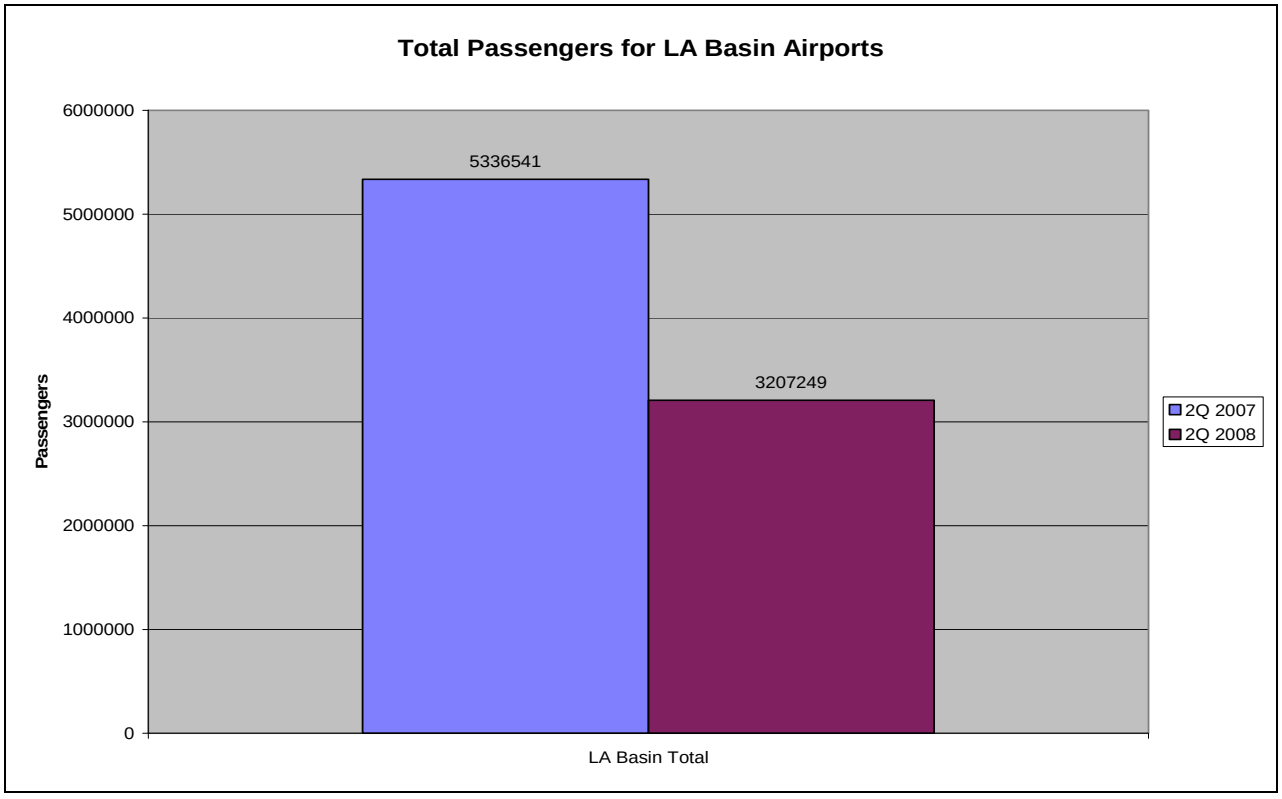
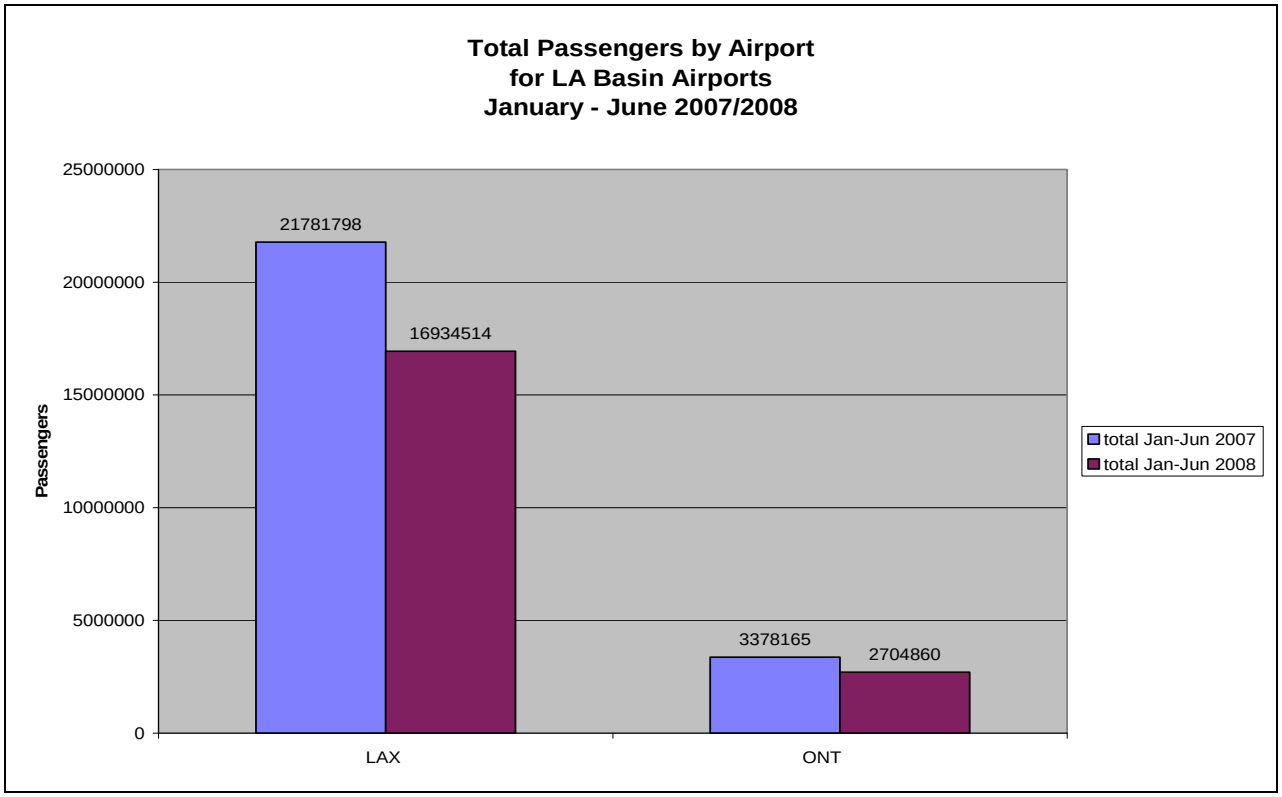
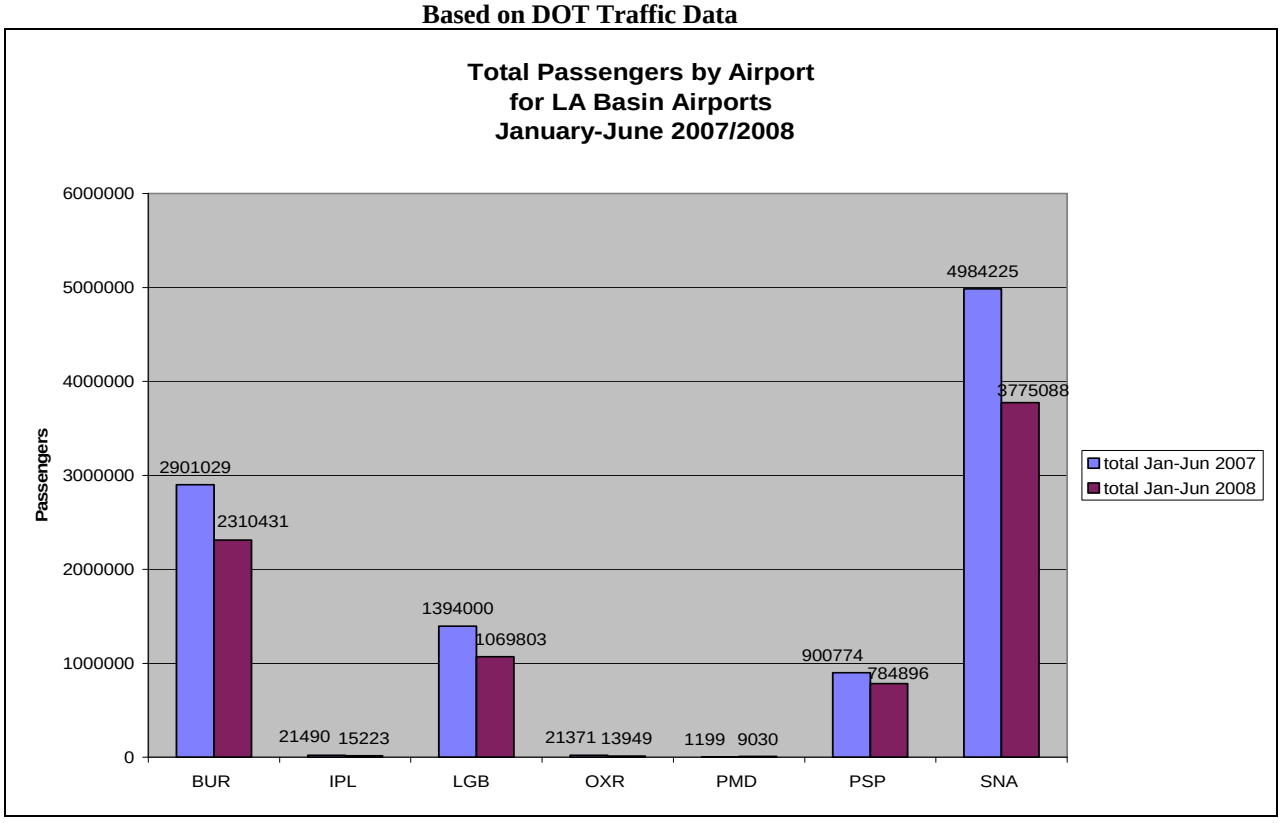


Source: BACK Aviation Solutions- www.oagaviation.com 8

Based on DOT Traffic Data



Based on DOT Traffic Data



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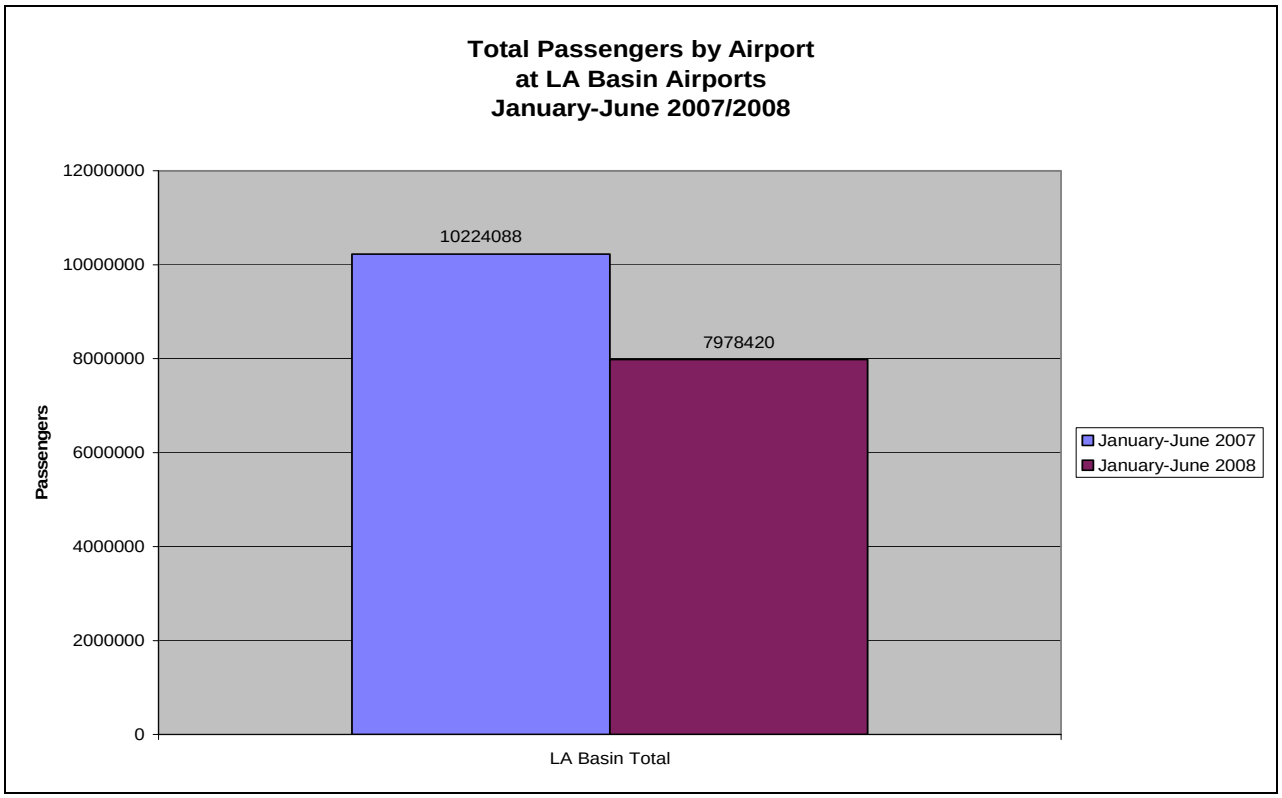

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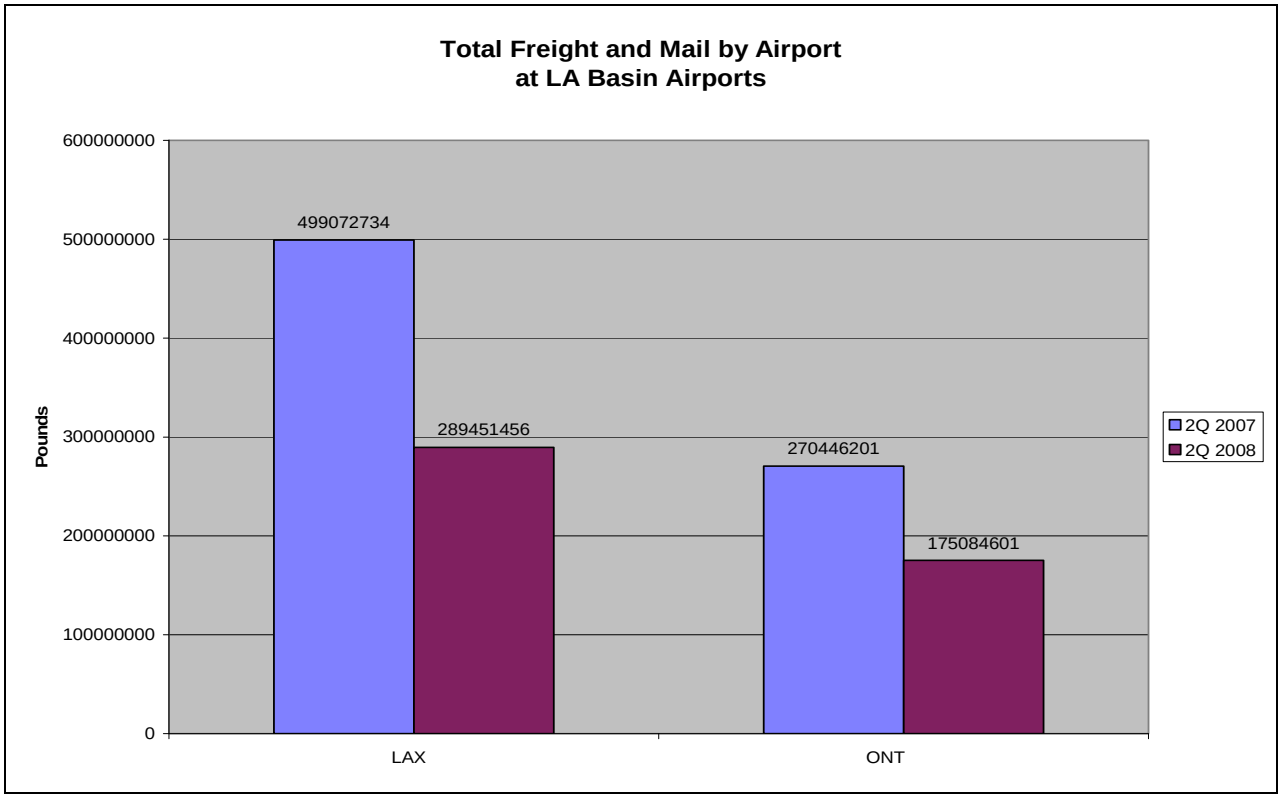
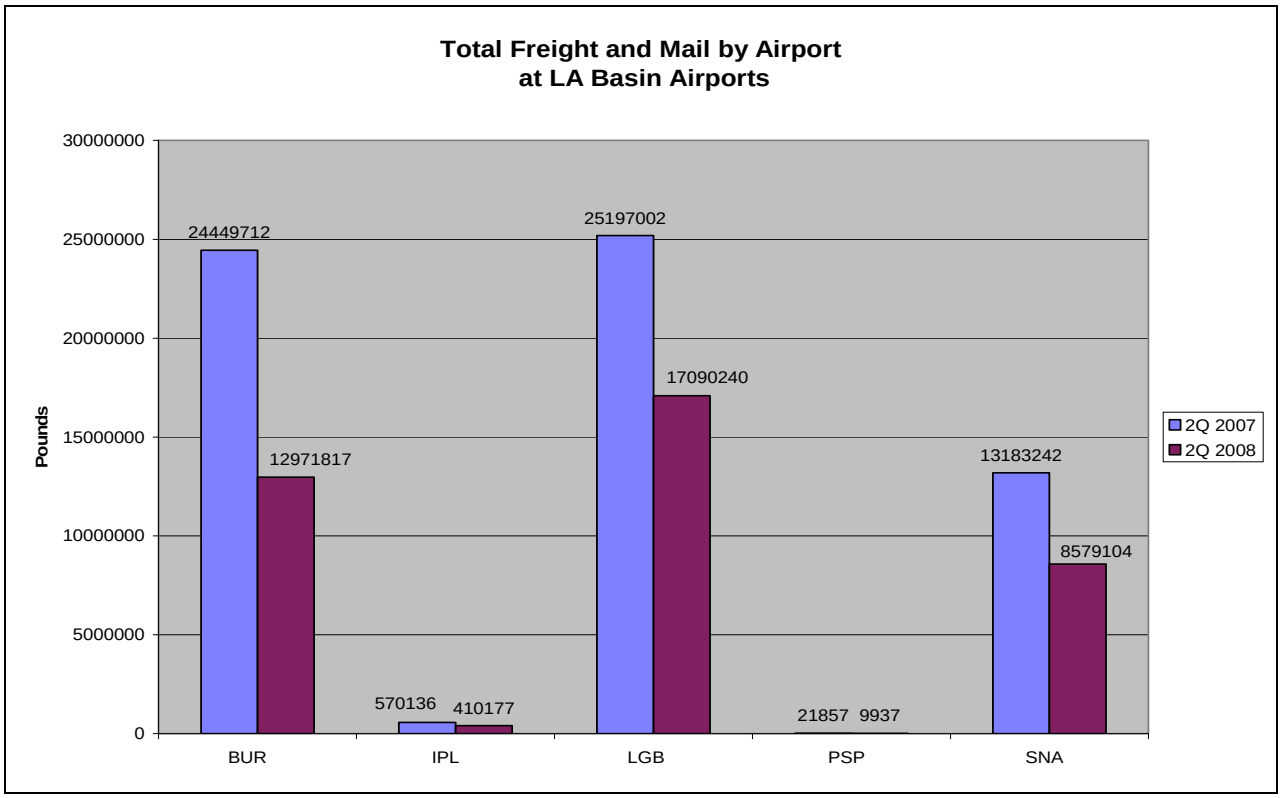


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 10



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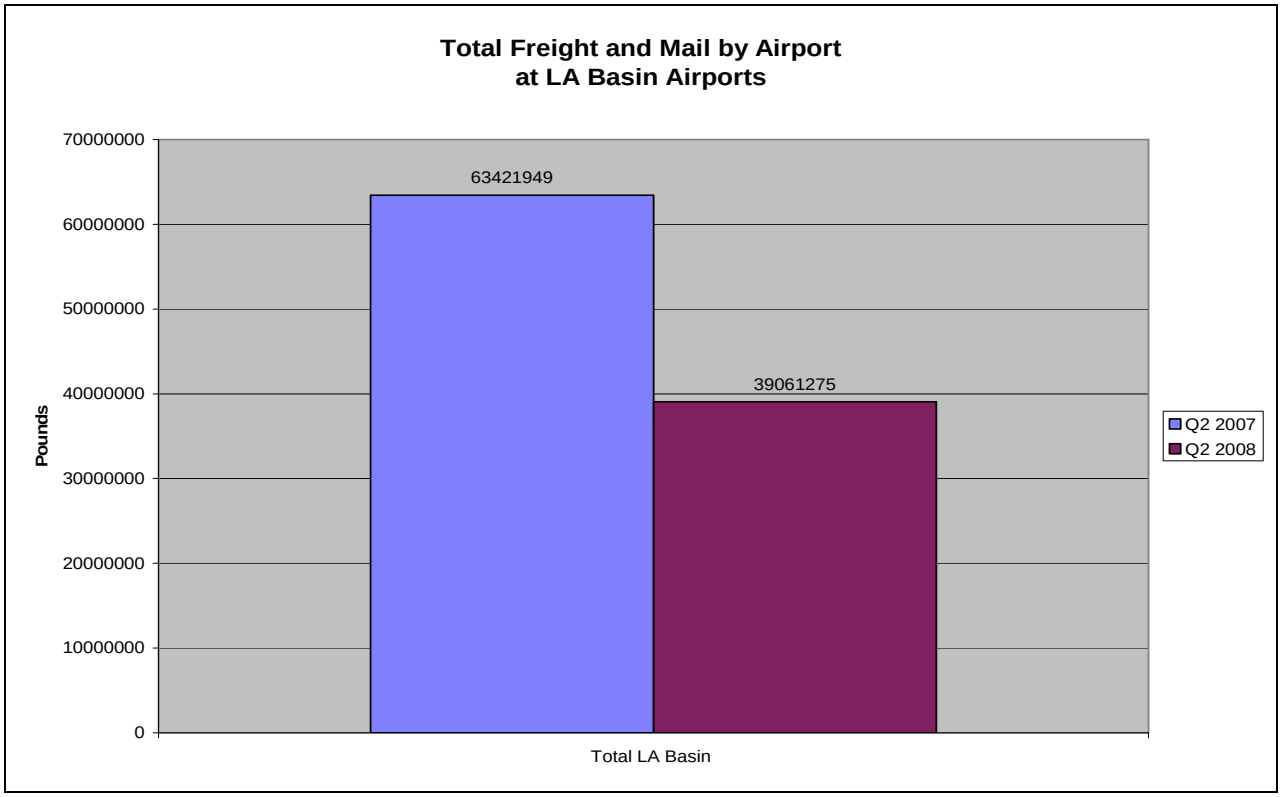
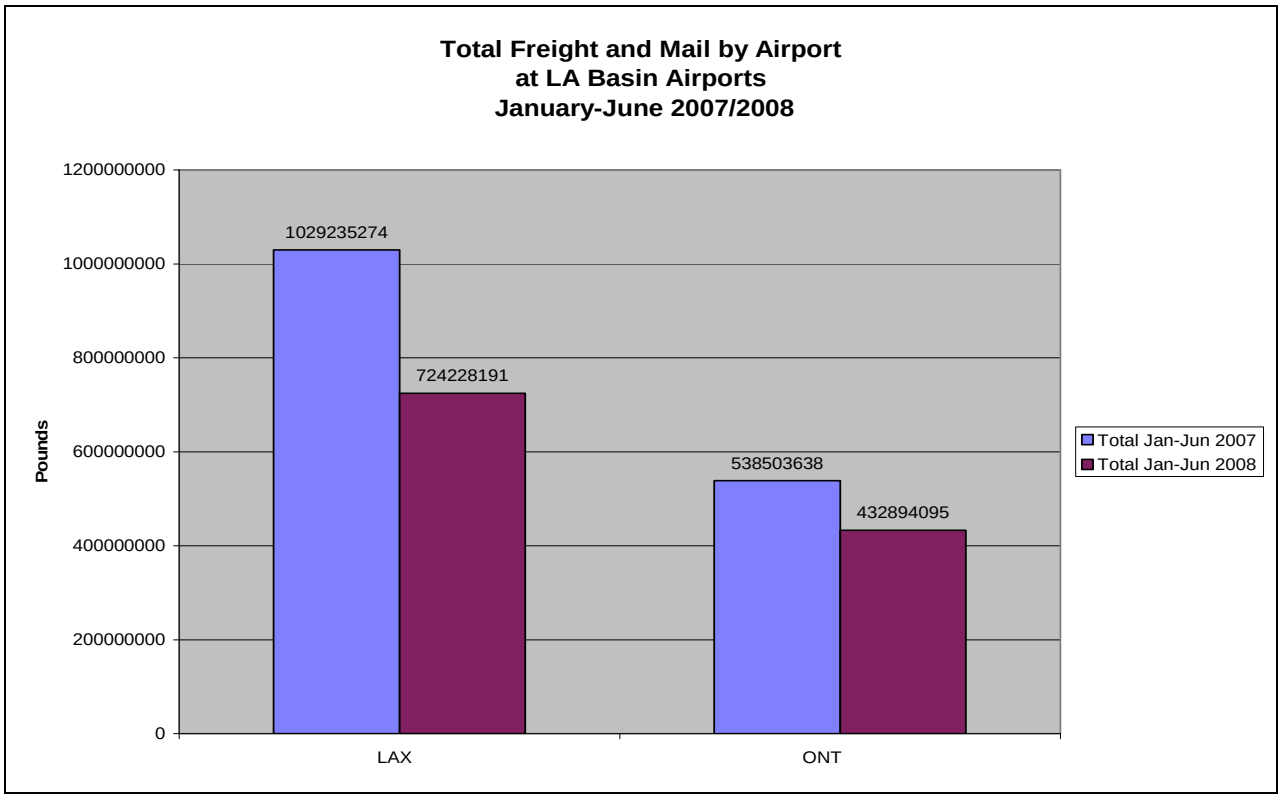


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 11



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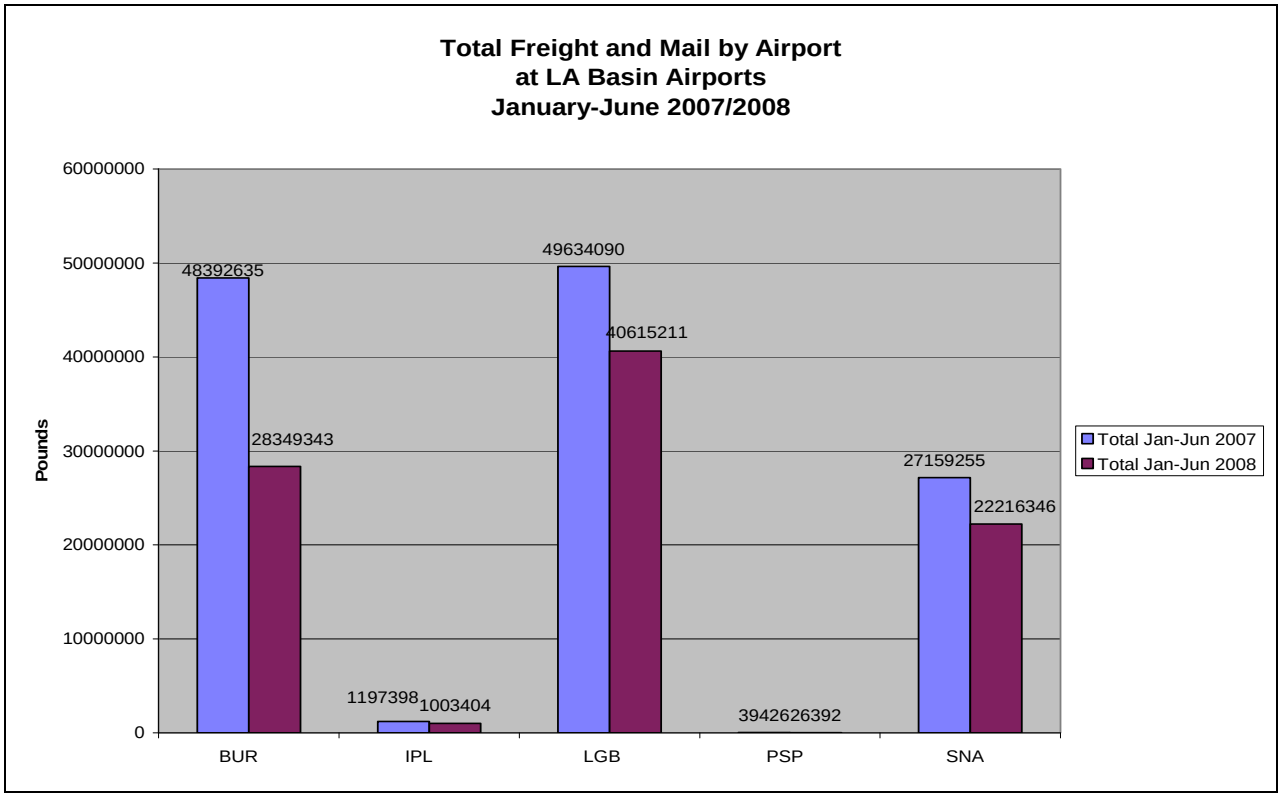
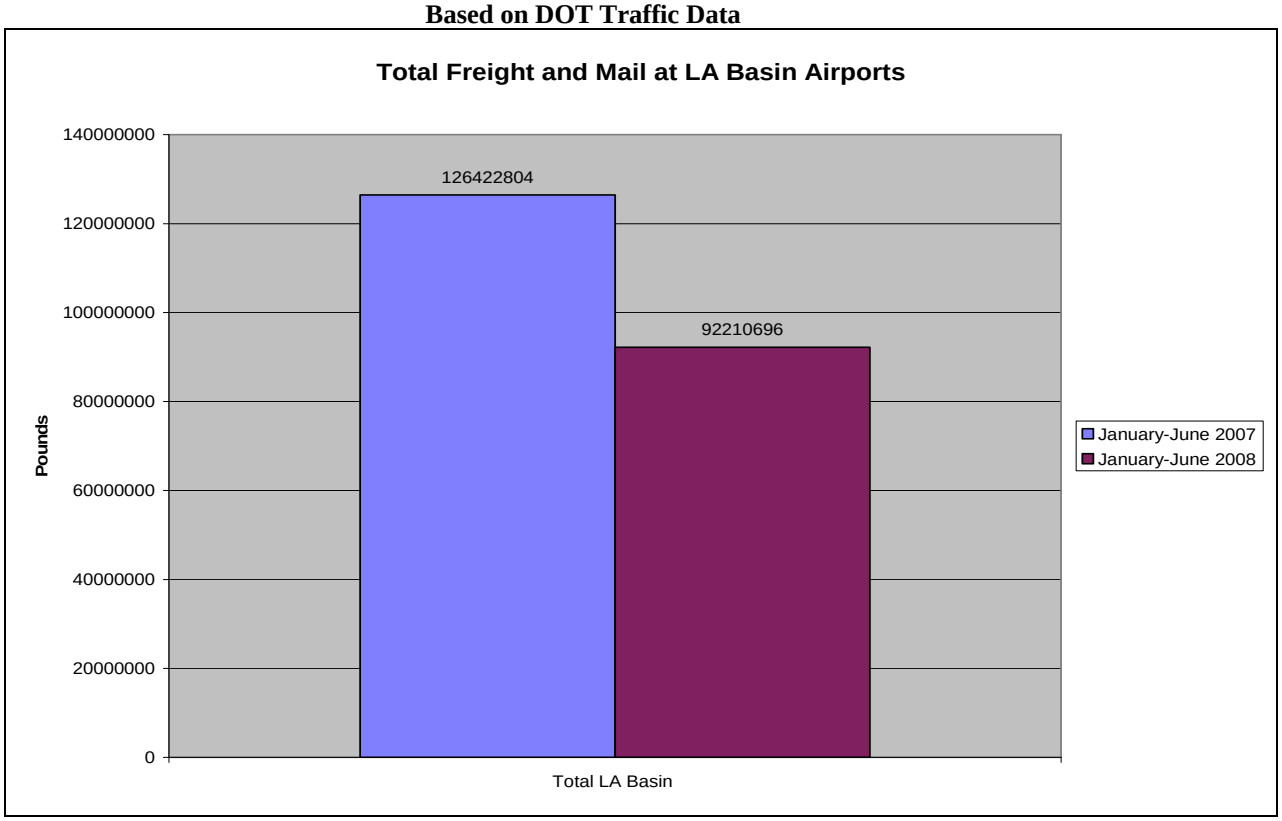


Source: BACK Aviation Solutions- www.oagaviation.com 12

Based on DOT Traffic Data



Based on DOT Traffic Data

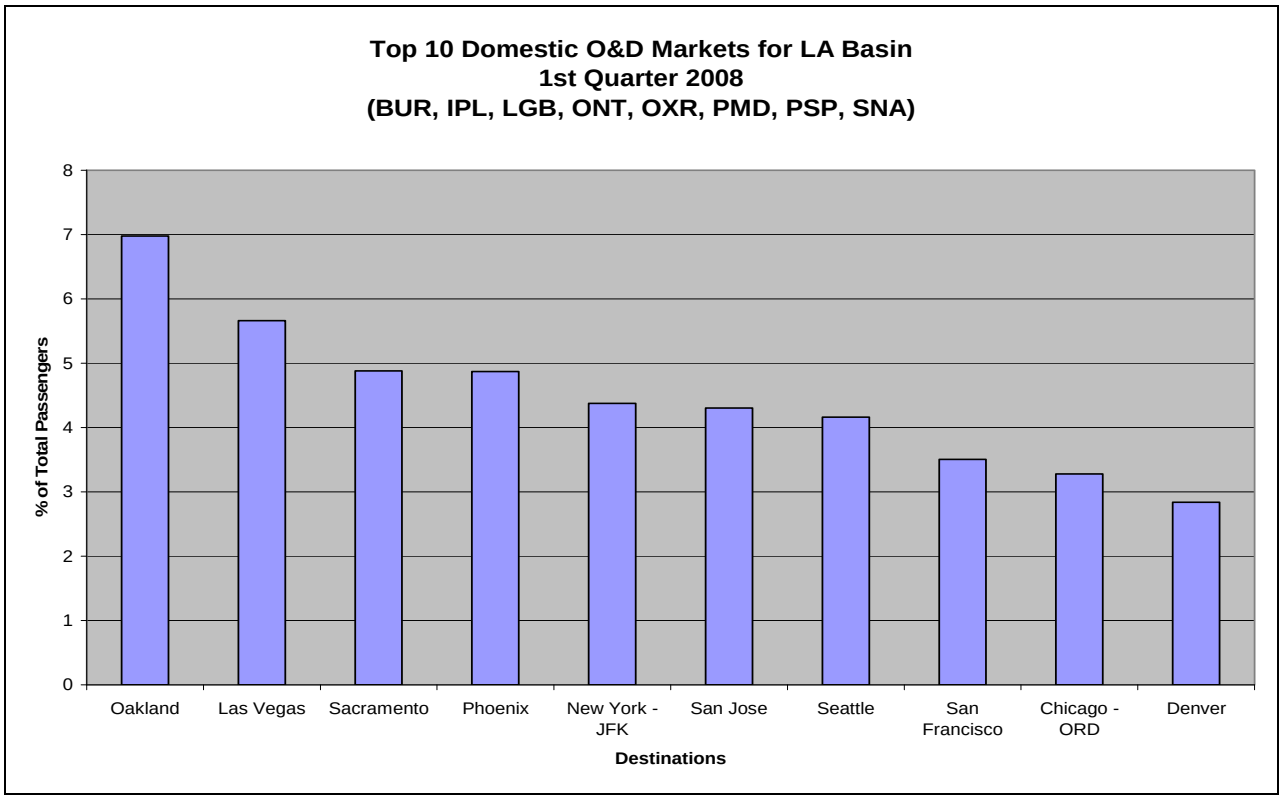
Source: BACK Aviation Solutions- www.oagaviation.com 13

Total Available Seats by Airport and Total LA Basin

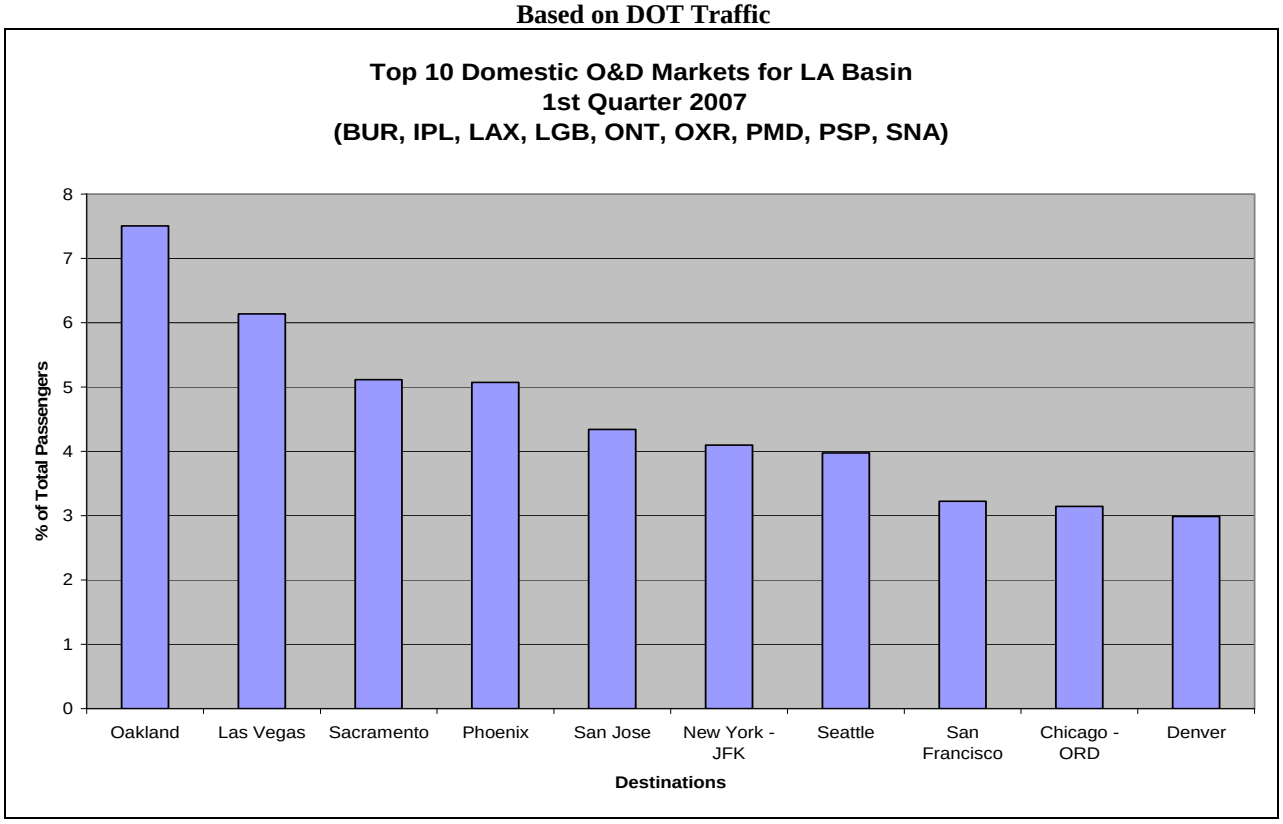
	2nd Quarter 2007	2nd Quarter 2008
BUR	1,067,387	1,038,260
IPL	9,420	9,600
LAX	9,913,300	9,868,125
LGB	469,920	467,326
ONT	1,282,037	1,146,203
OXR	10,320	9,690
PMD	2,400	8,400
PSP	243,559	238,324
SNA	1,698,345	1,577,861
Total	14,696,688	14,363,789

Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com

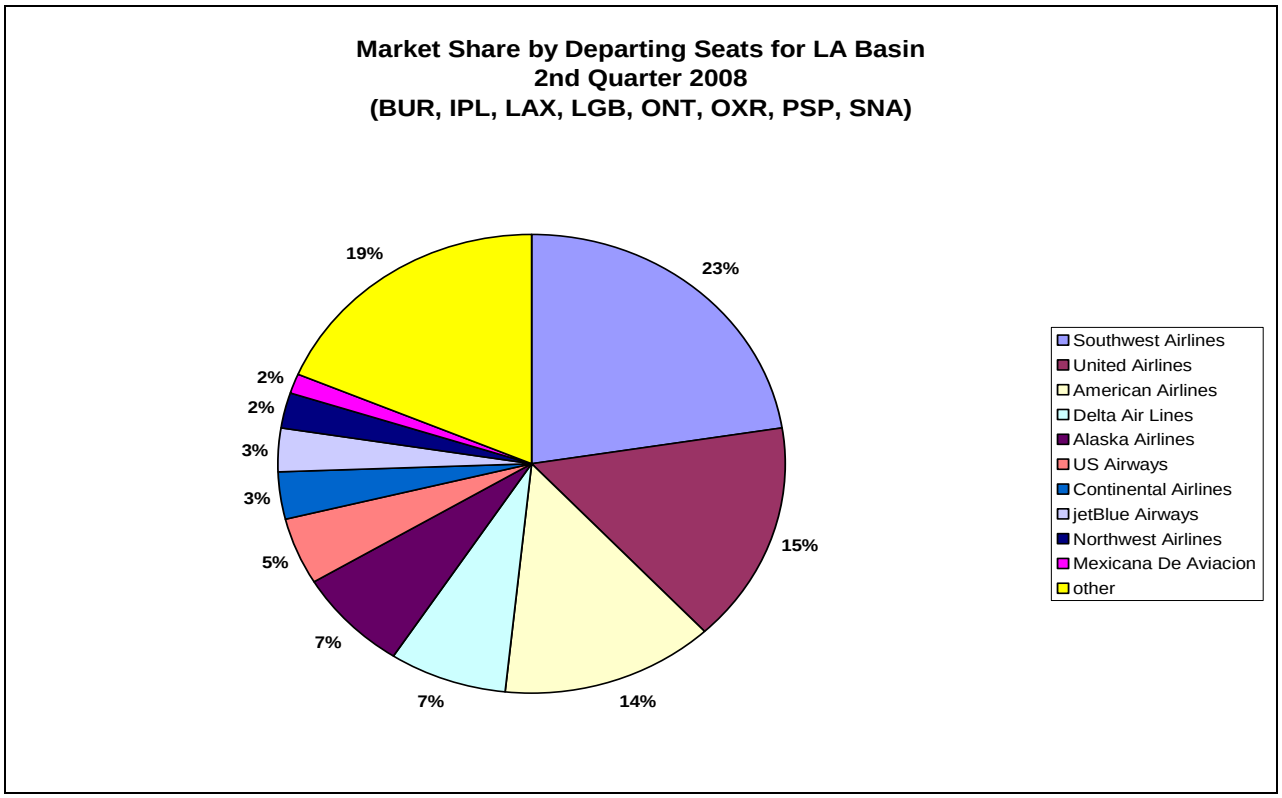


Based on DOT Traffic



Based on DOT Traffic

Source: BACK Aviation Solutions- www.oagaviation.com 15



Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 16

Domestic Load Factors by Airport and Total LA Basin

Narrowbody Aircraft

	Jan-Jun 2007	Jan-Jun 2008
BUR	69.74%	66.84%
LAX	77.13%	75.79%
LGB	76.08%	74.89%
ONT	71.51%	68.90%
PMD	00.00%	42.00%
PSP	78.86%	78.84%
SNA	75.62%	71.27%
Total	75.49%	73.36%

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Regional and Turbo-Prop Aircraft

	Jan-Jun 2007	Jan-Jun 2008
BUR	77.90%	75.41%
IPL	56.14%	47.42%
LAX	72.35%	68.78%
LGB	77.54%	69.43%
ONT	59.75%	67.96%
OXR	53.16%	43.01%
PMD	24.98%	32.68%
PSP	75.37%	74.78%
SNA	69.93%	70.83%
Total	71.43%	69.20%

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Widebody Aircraft

	Jan-Jun 2007	Jan-Jun 2008
LAX	85.79%	84.17%
LGB	74.26%*	00.00%
ONT	60.55%	92.81% *
PSP	00.00%	64.71% *
Total	85.77%	84.17%

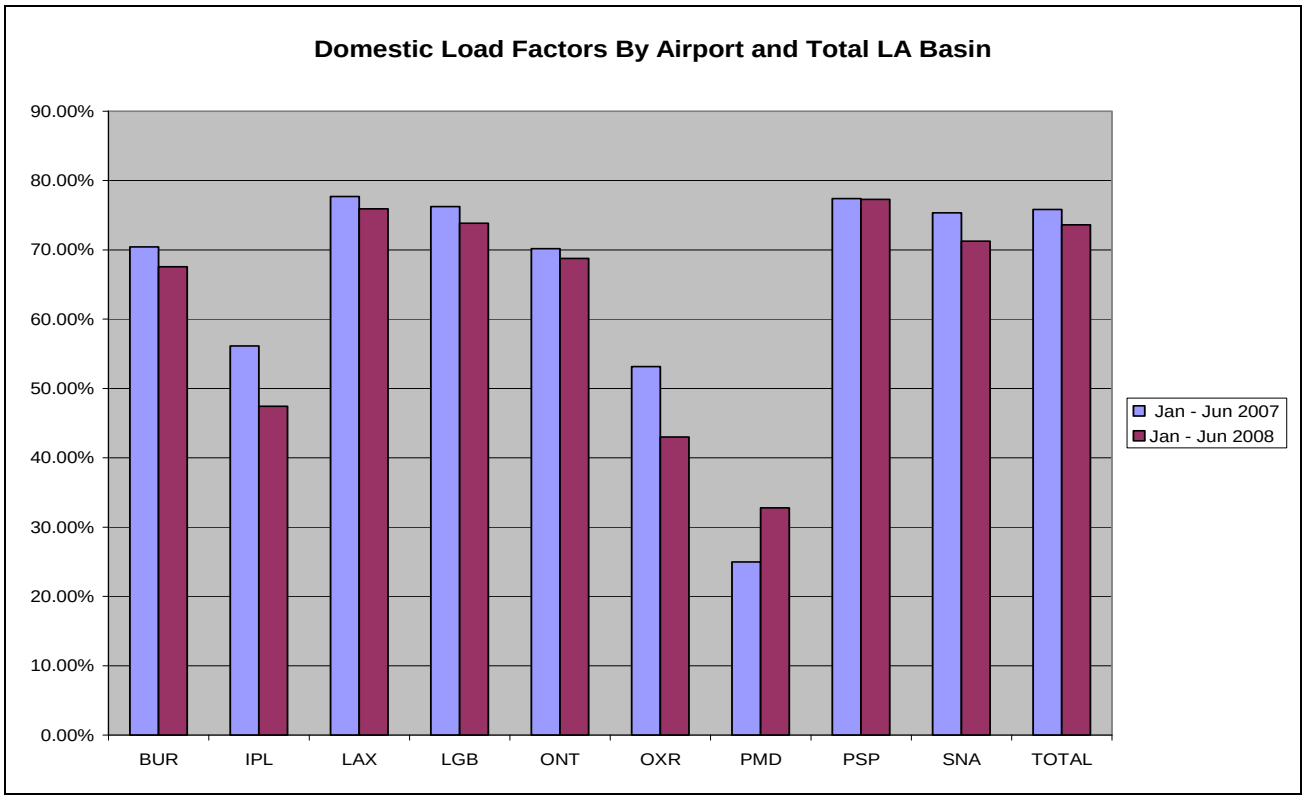
* (Q1 only Jan-Mar)

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

	Jan-Jun 2007	Jan-Jun 2008
BUR	70.43%	67.57%
IPL	56.14%	47.42%
LAX	77.69%	75.90%
LGB	76.23%	73.83%
ONT	70.17%	68.77%
OXR	53.16%	43.01%
PMD	24.98%	32.78%
PSP	77.39%	77.29%
SNA	75.33%	71.25%
Total	75.83%	73.61%

Source: BACK Aviation Solutions- www.oagaviation.com



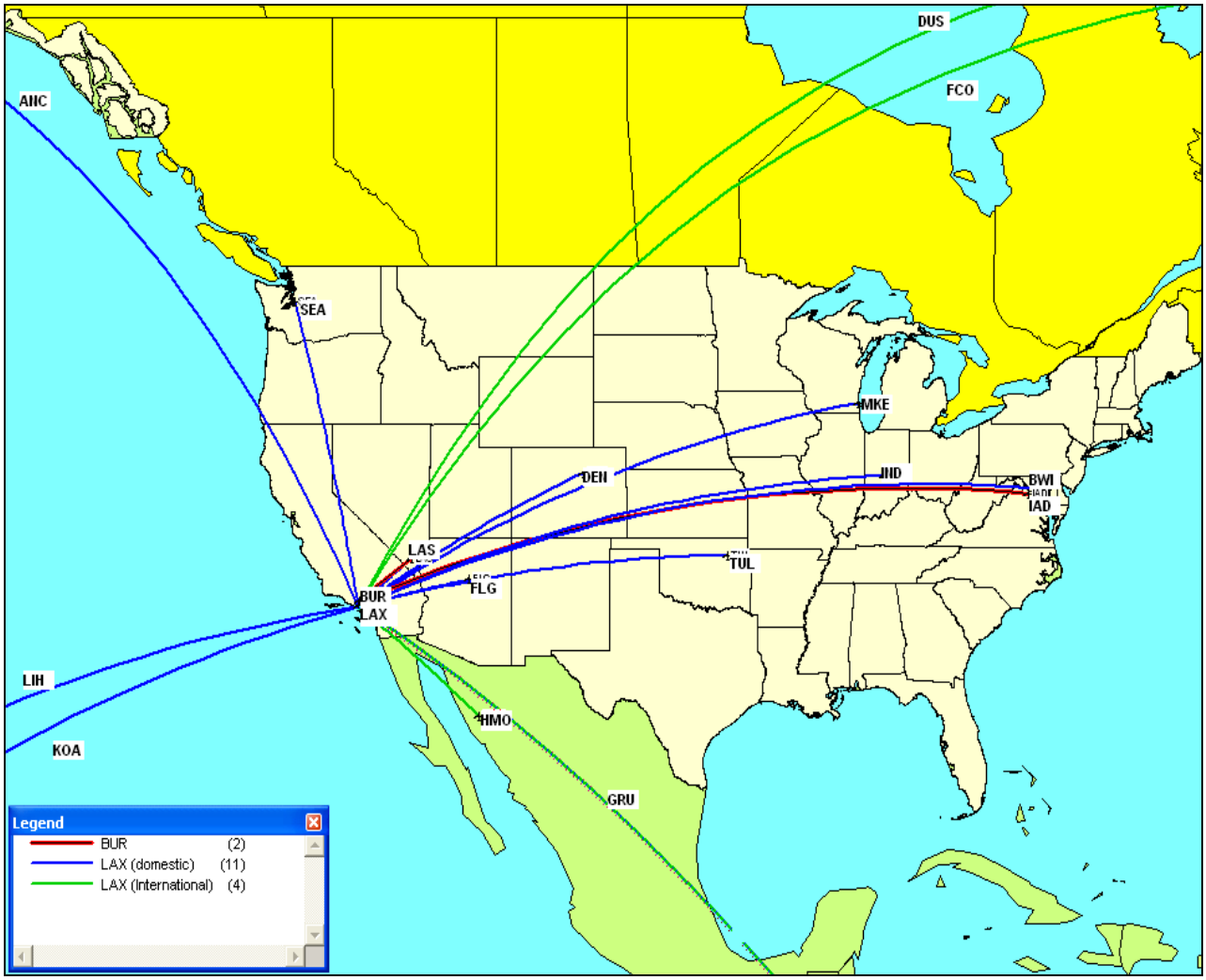
Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com

New non-stop Routes from LA Basin Airports
Comparing
1st quarter 2008 to 2nd quarter 2008

Burbank – Washington Dulles	jetBlue
Burbank – Las Vegas	jetBlue
LAX – Anchorage	Alaska
LAX – Baltimore/Washington	AirTran
LAX – Denver	Southwest
LAX – Dusseldorf	LTU
LAX – Rome	Alitalia
LAX – Flagstaff	Horizon
LAX – Hermosillo	AeroMexico
LAX – Indianapolis	AirTran
LAX – Kona	Delta
LAX – Las Vegas	Singapore
LAX – Las Vegas	United
LAX – Lihue	Delta
LAX – Milwaukee	AirTran
LAX – Seatlle	Virgin America
LAX – Tulsa	SkyWest
LAX – Sao Paulo	Korean
LGB – Austin	jetBlue
LGB – Seattle	jetBlue
LGB – San Jose	jetBlue
ONT – Denver	United

New non-stop Routes from LA Basin Airports
Comparing
1st quarter 2008 to 2nd quarter 2008



Source: BACK Aviation Solutions- www.oagaviation.com

Lost non-stop Routes from LA Basin Airports
Comparing
1st quarter 2008 to 2nd quarter 2008

Burbank – Portland	Alaska
LAX – Ft. Lauderdale	Delta
LAX – Jackson	United
LAX – Seattle	Horizon Air
LAX – Ontario	Skywest
LAX – Monterrey	Avianca
LAX – Santa Ana (J. Wayne)	Skywest
LAX – Wichita	ExpressJet
LAX – San Salvador	United
LAX – Portland	United
ONT – Los Angeles	Skywest
ONT – Las Vegas	Mesa
ONT – Portland	Alaska
PSP – Houston	Continental
SNA – Los Angeles	Skywest
SNA – Sacramento	Aloha

Changes in Aircraft Type at LA Basin Airports
Comparing
1st quarter 2008 to 2nd quarter 2008

Airport	New Aircraft	Lost Aircraft
BUR	None	737-300
LAX	None	737-300
LGB	Canadair RJ 700 Embraer 190	None
ONT	None	Embraer 120 Brasilia 737-300
PSP	737-800	737-300 737-500
SNA	MD 83	Embraer 120 Brasilia

Source: BACK Aviation Solutions- www.oagaviation.com

Changes in Airlines at LA Basin Airports
Comparing
1st quarter 2008 to 2nd quarter 2008

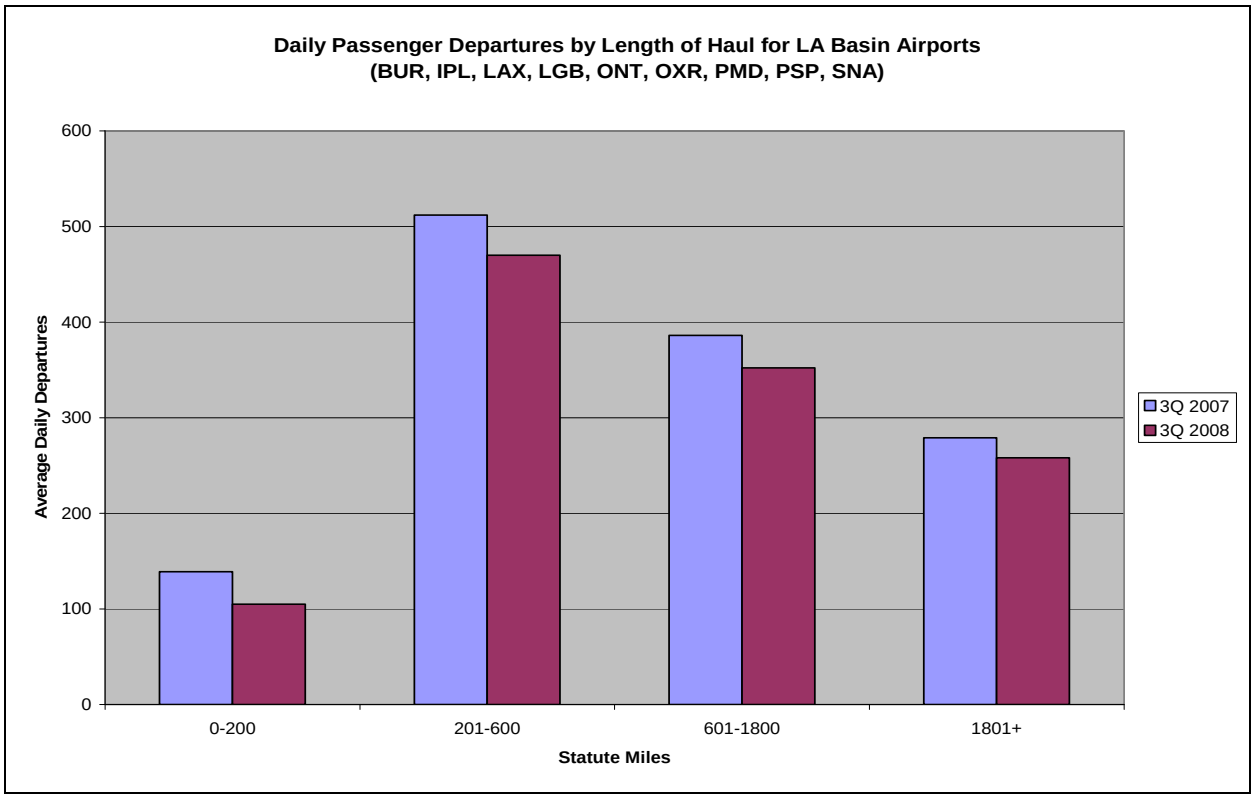
Airport	New Airline	Lost Airline
LAX	Alitalia LTU	Aviacsa
ONT	United	ATA
PSP	None	Continental

Source: BACK Aviation Solutions- www.oagaviation.com

Quarterly Reports for Southern California Association of Governments (SCAG)

Produced by
BACK Aviation Solutions

3rd Quarter 2008



Based on Schedules Data

BUR- Burbank

IPL - El Centro/Imperial

LAX - Los Angeles (INTL)

LGB - Long Beach

ONT - Ontario

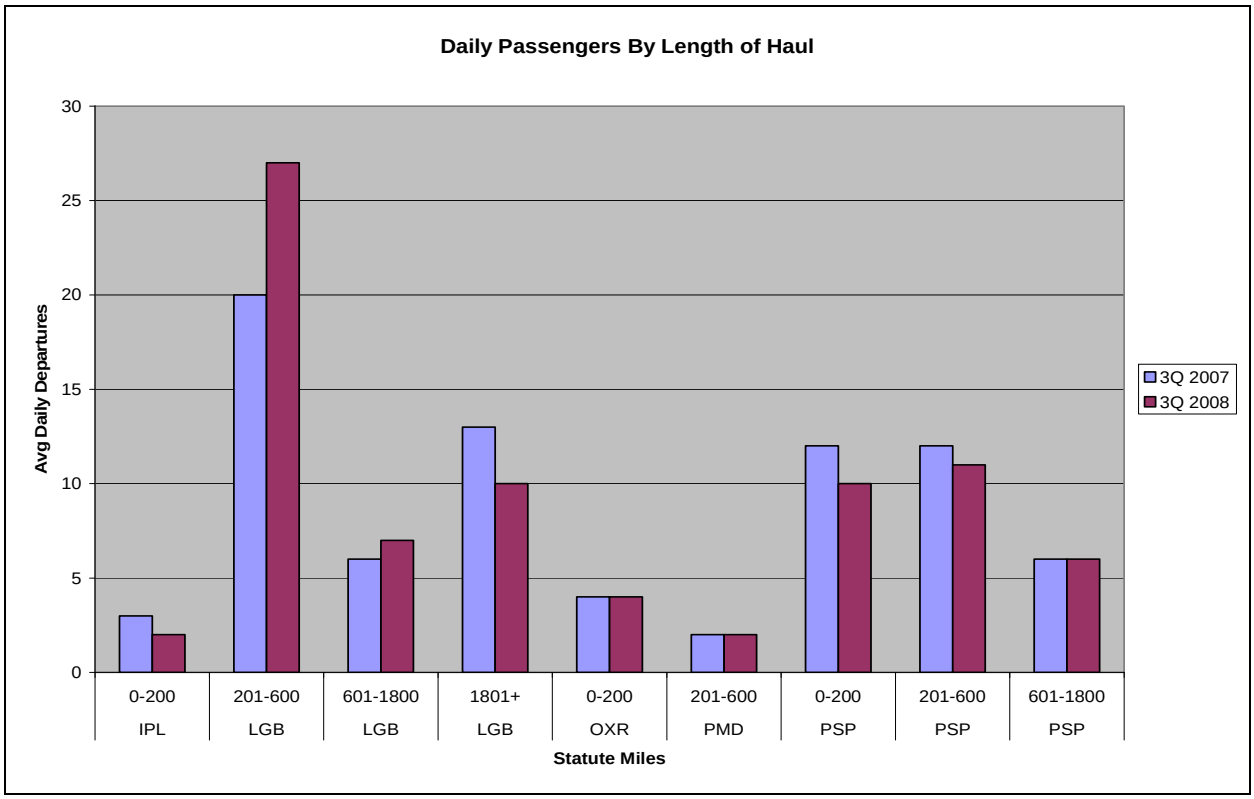
OXR – Oxnard/Ventura

PMD -Palmdale/Lancaster

PSP- Palm Springs

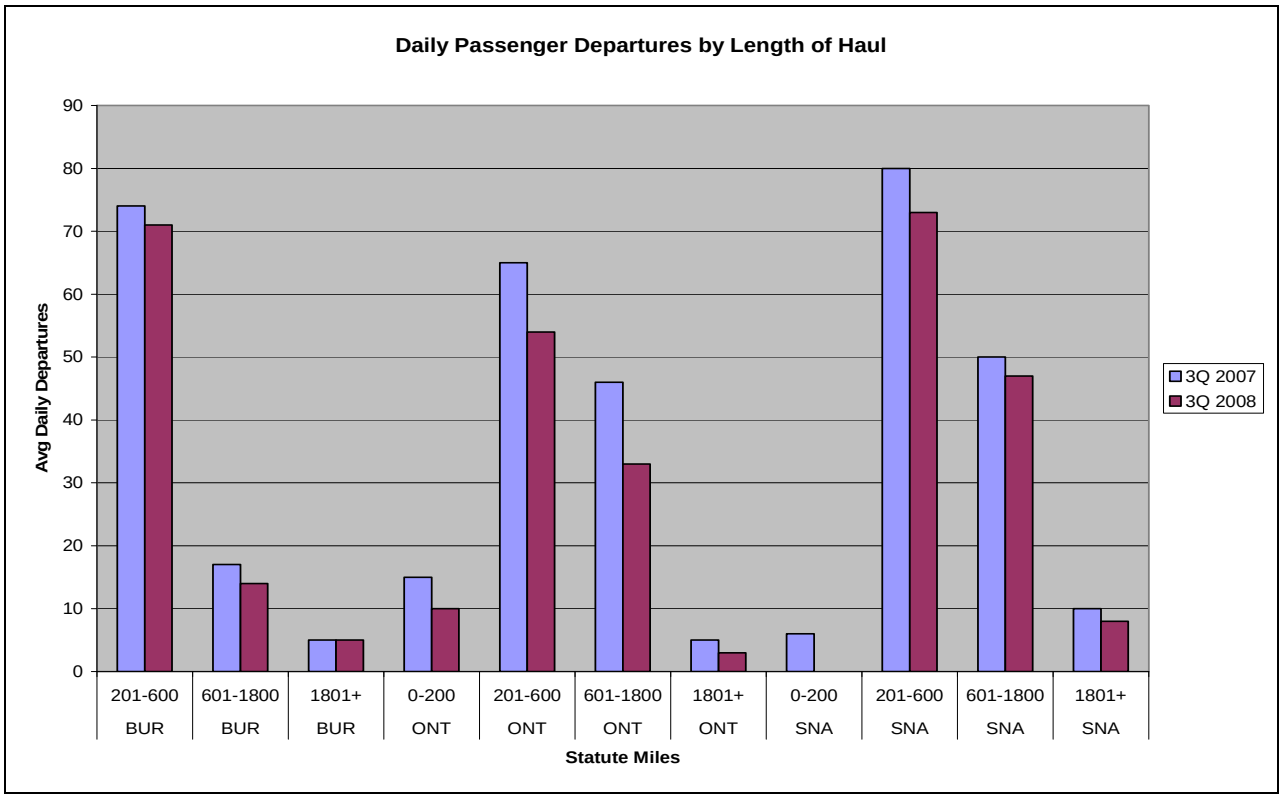
SNA - Santa Ana (J. Wayne)

Source: BACK Aviation Solutions- www.oagaviation.com



Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 3



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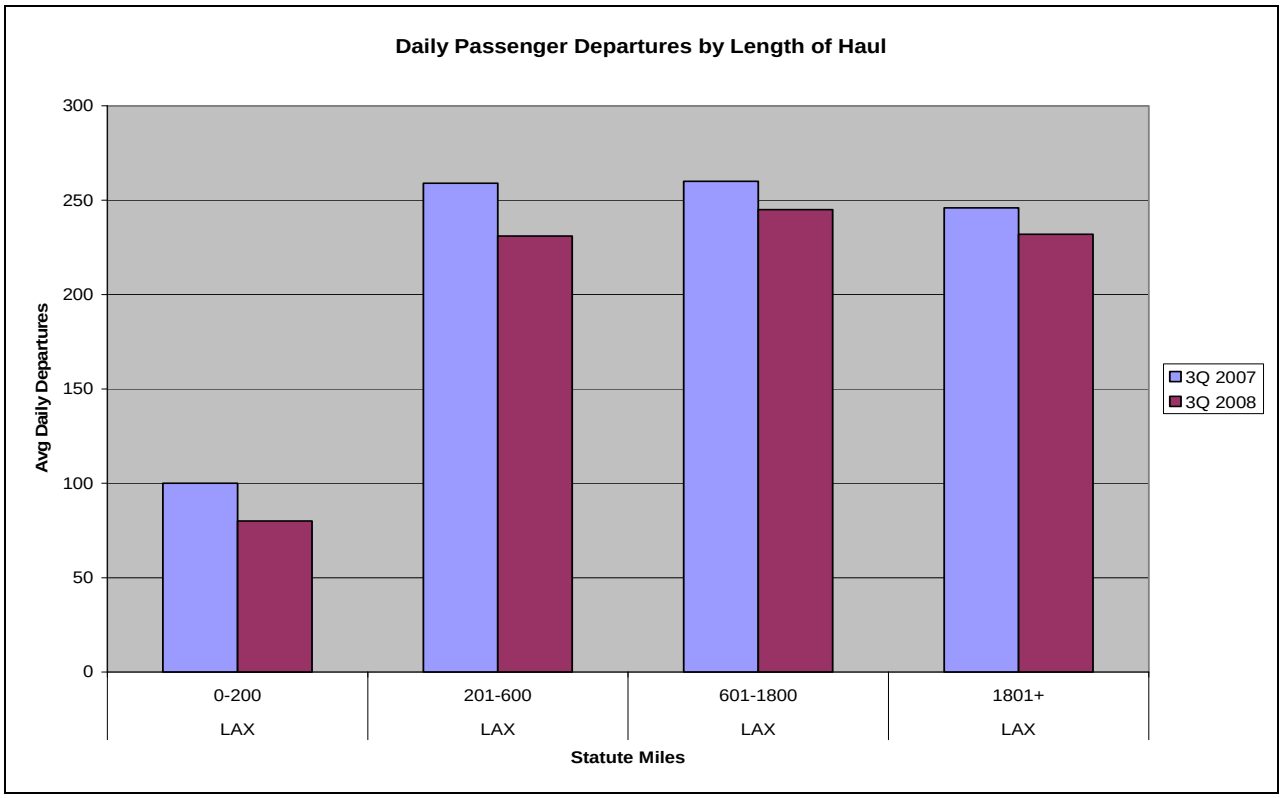
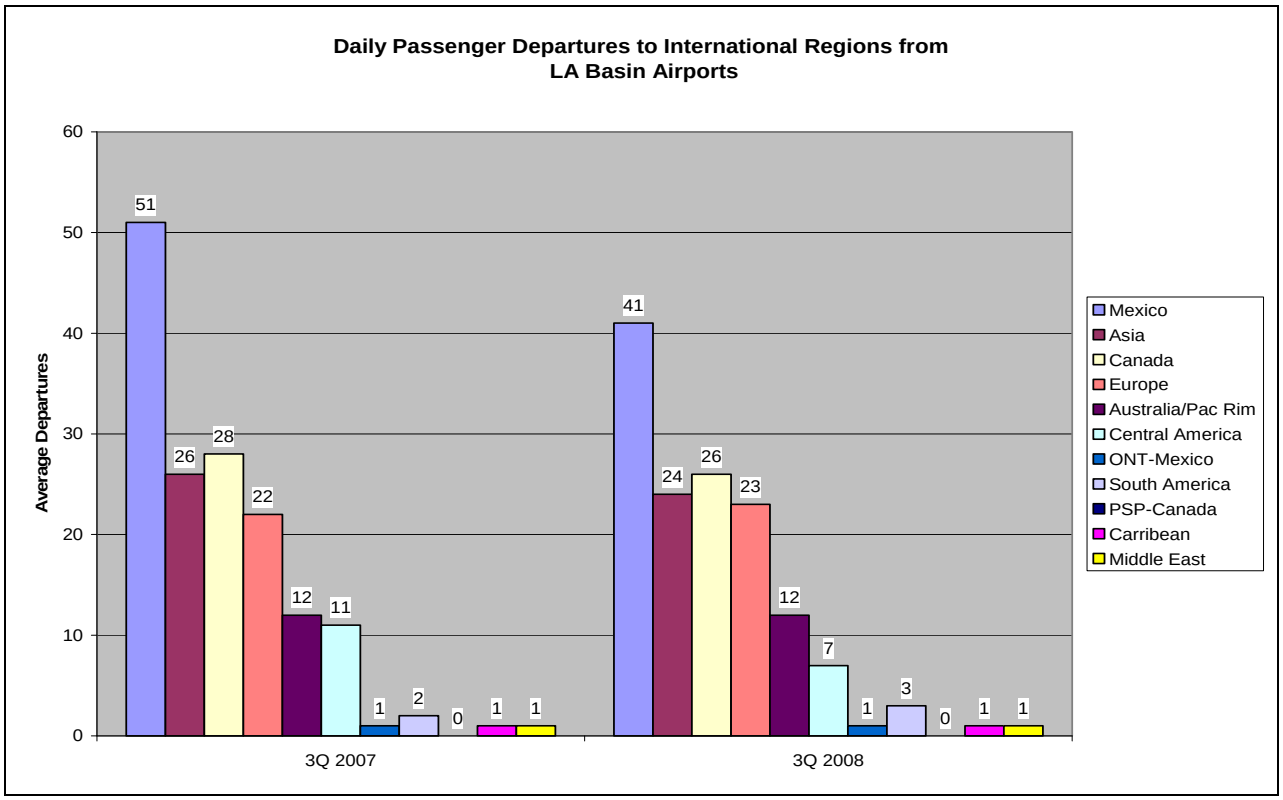


Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 4



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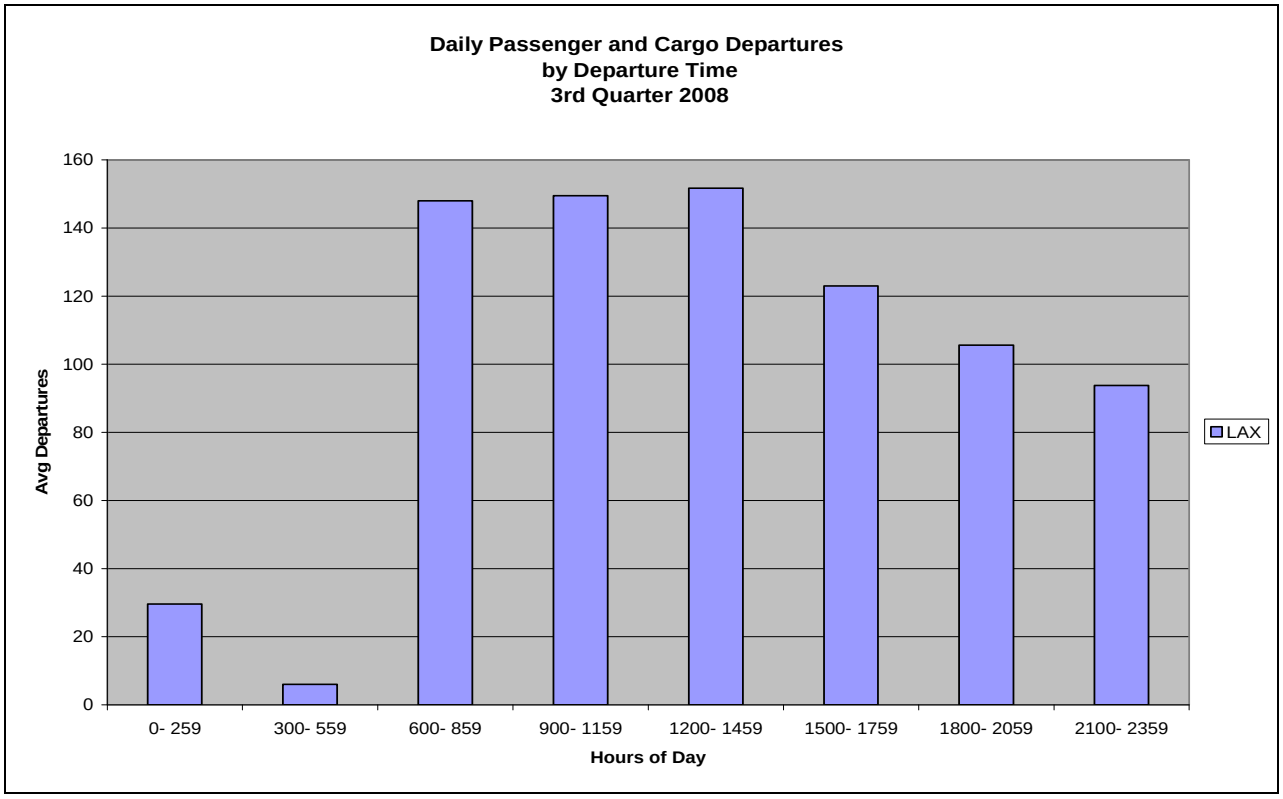
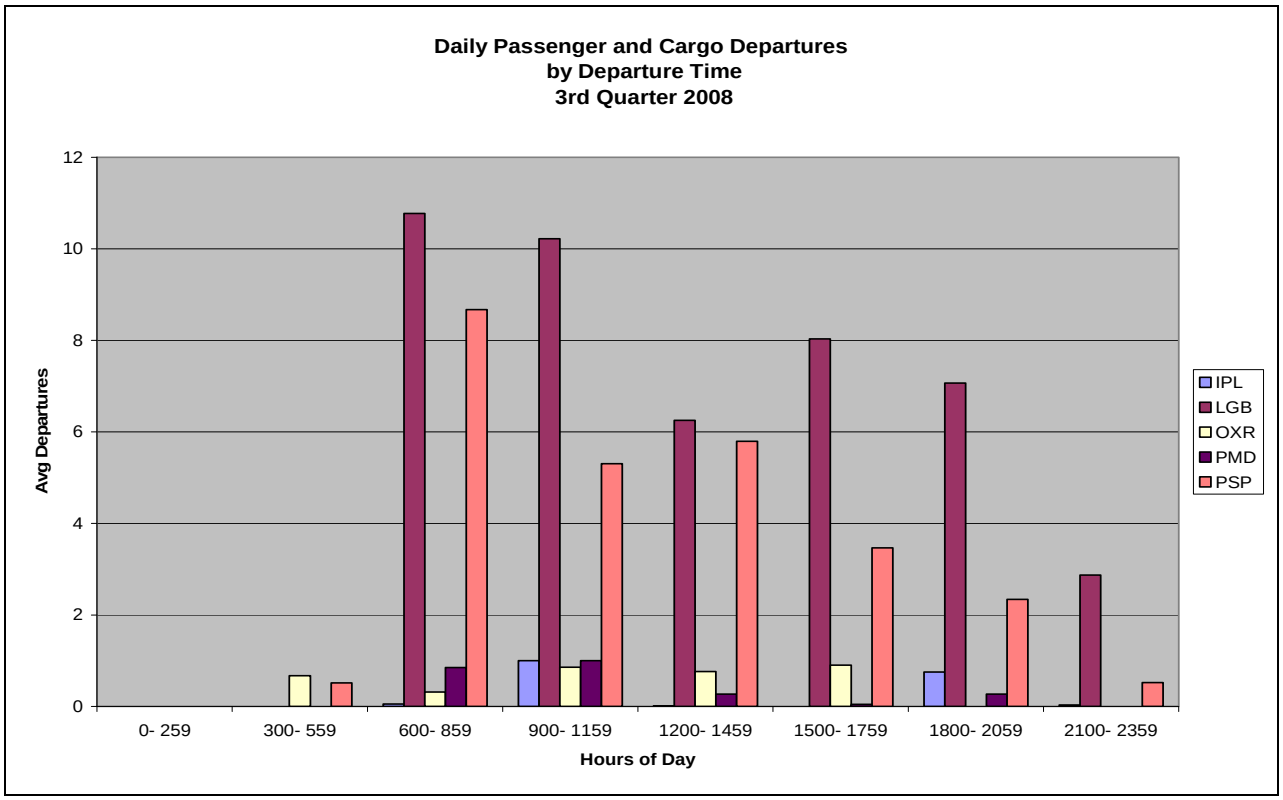


Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com 5



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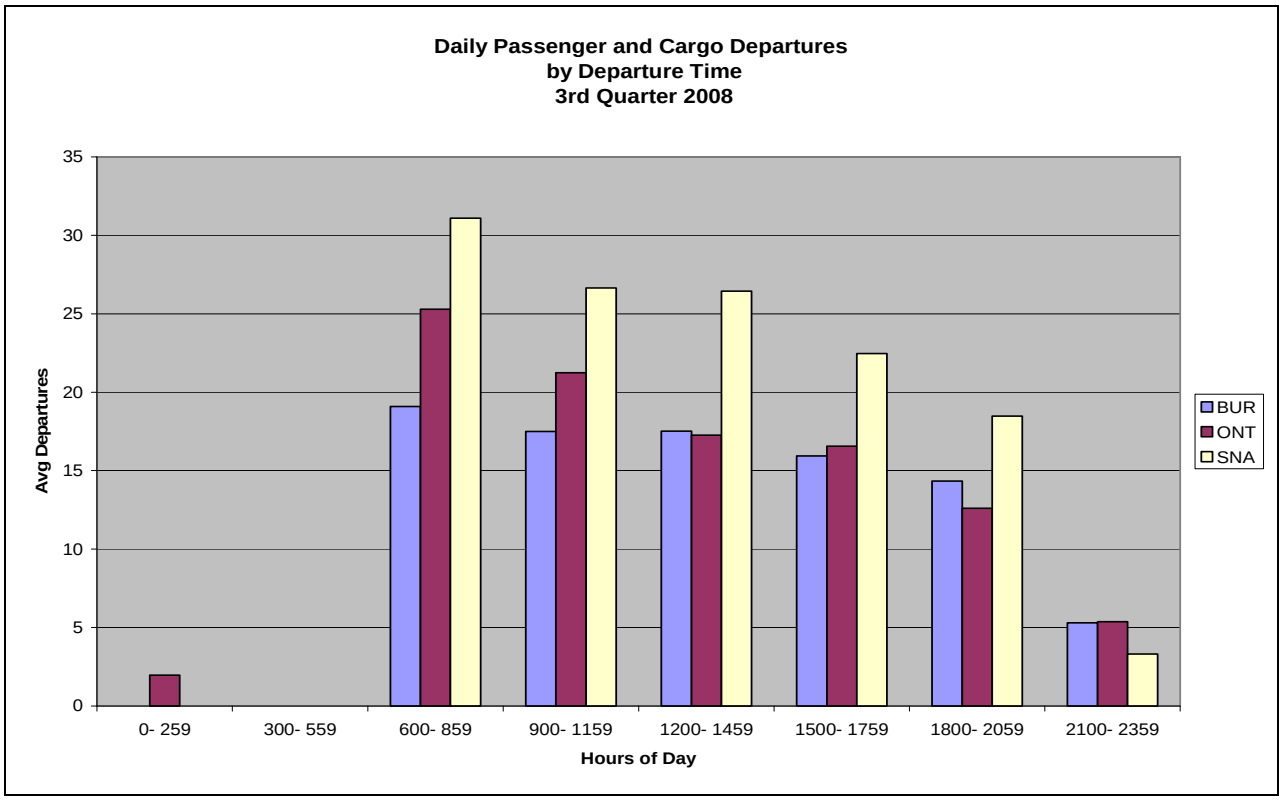

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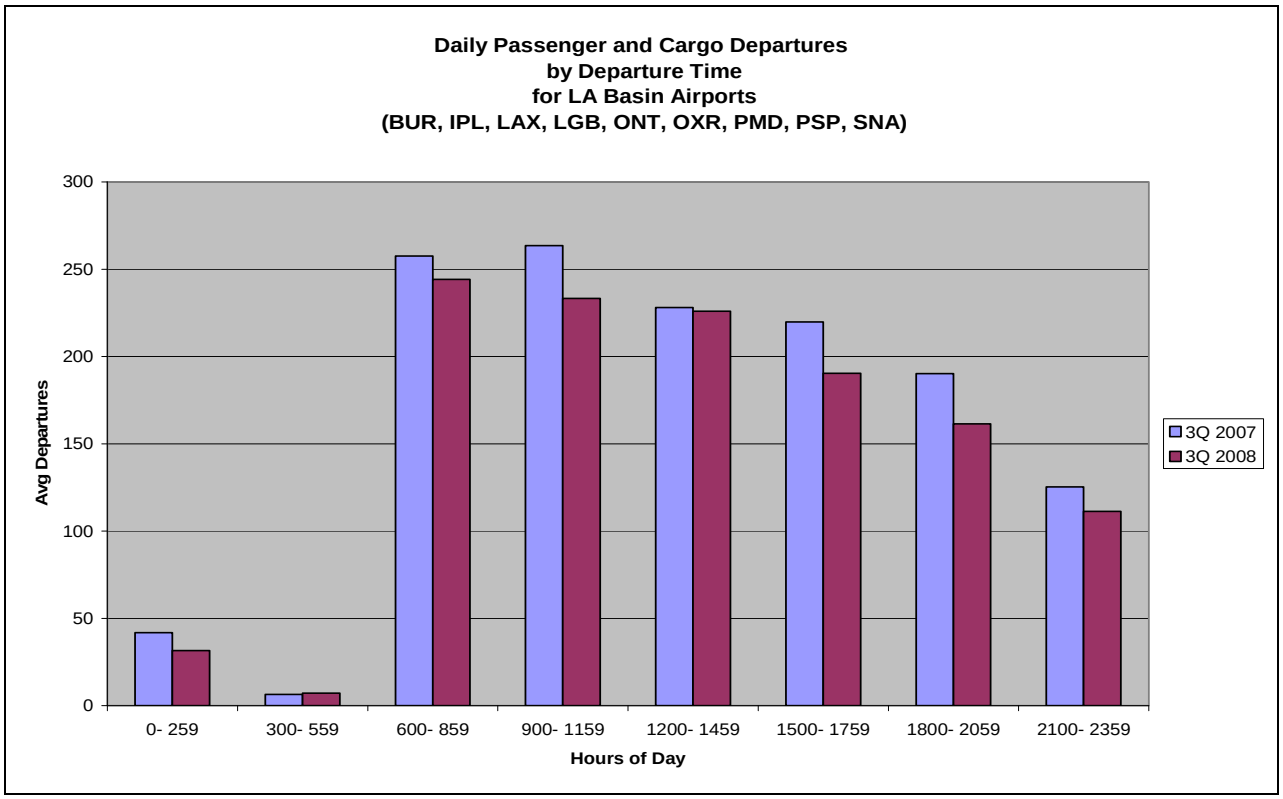

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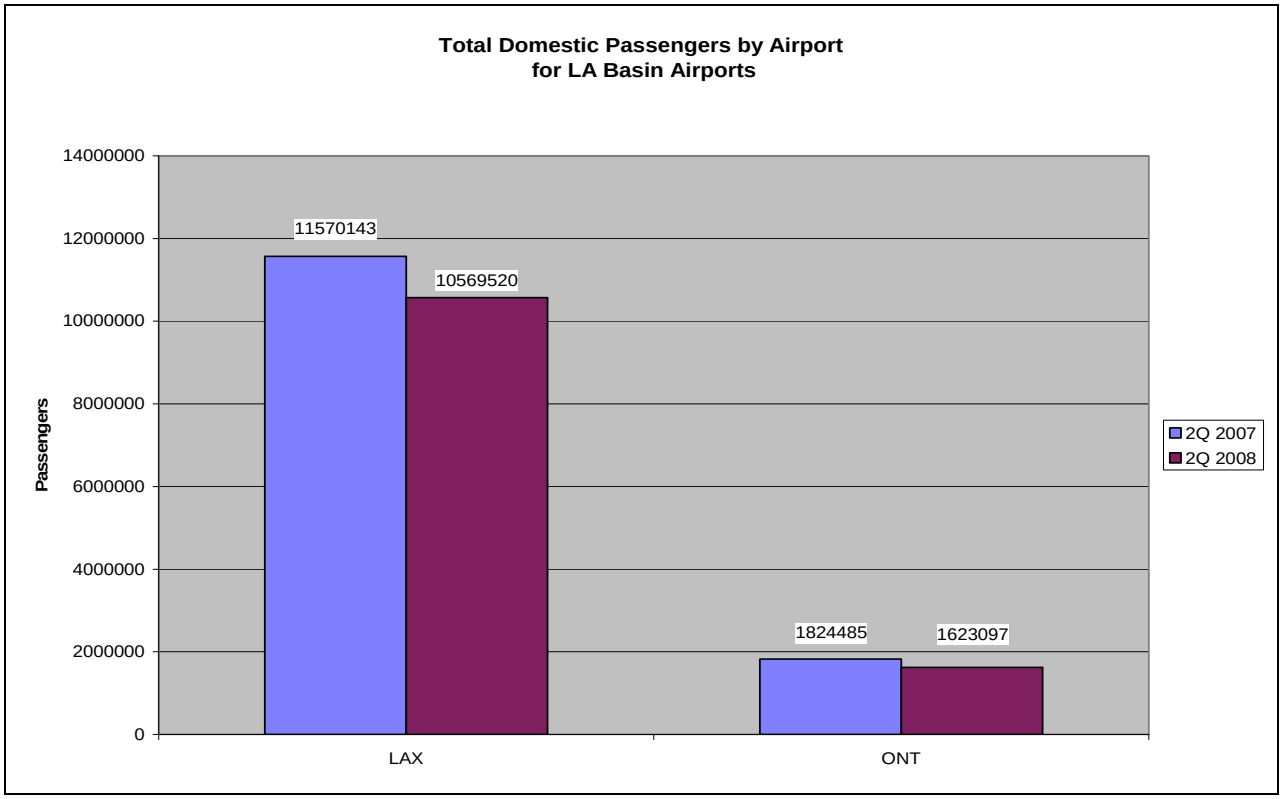
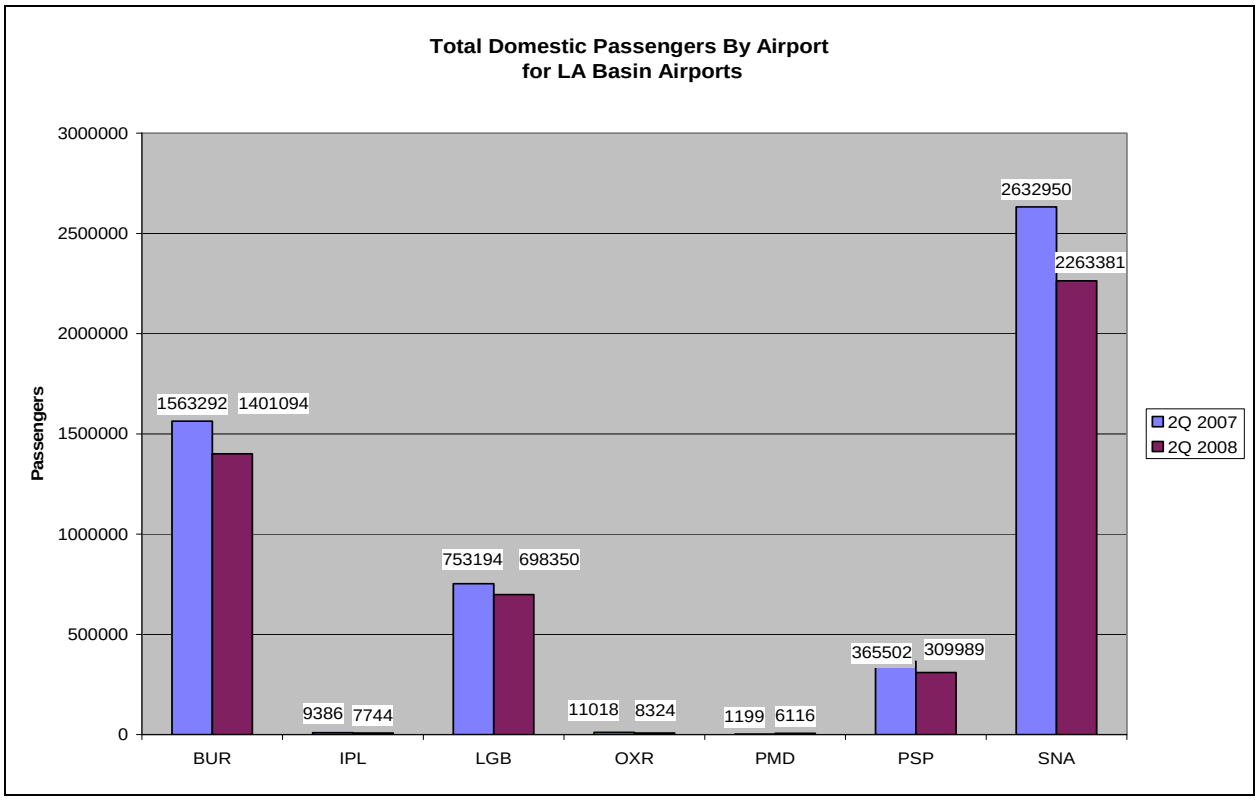


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 7



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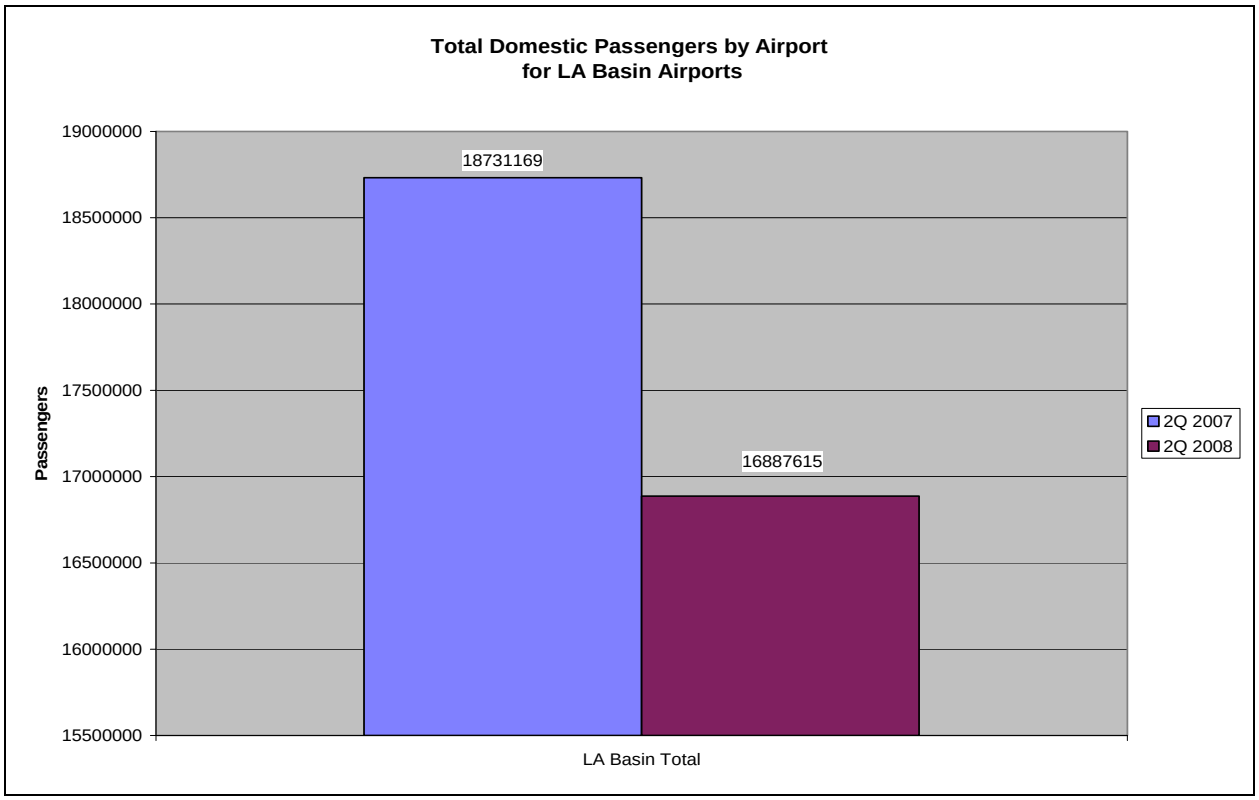

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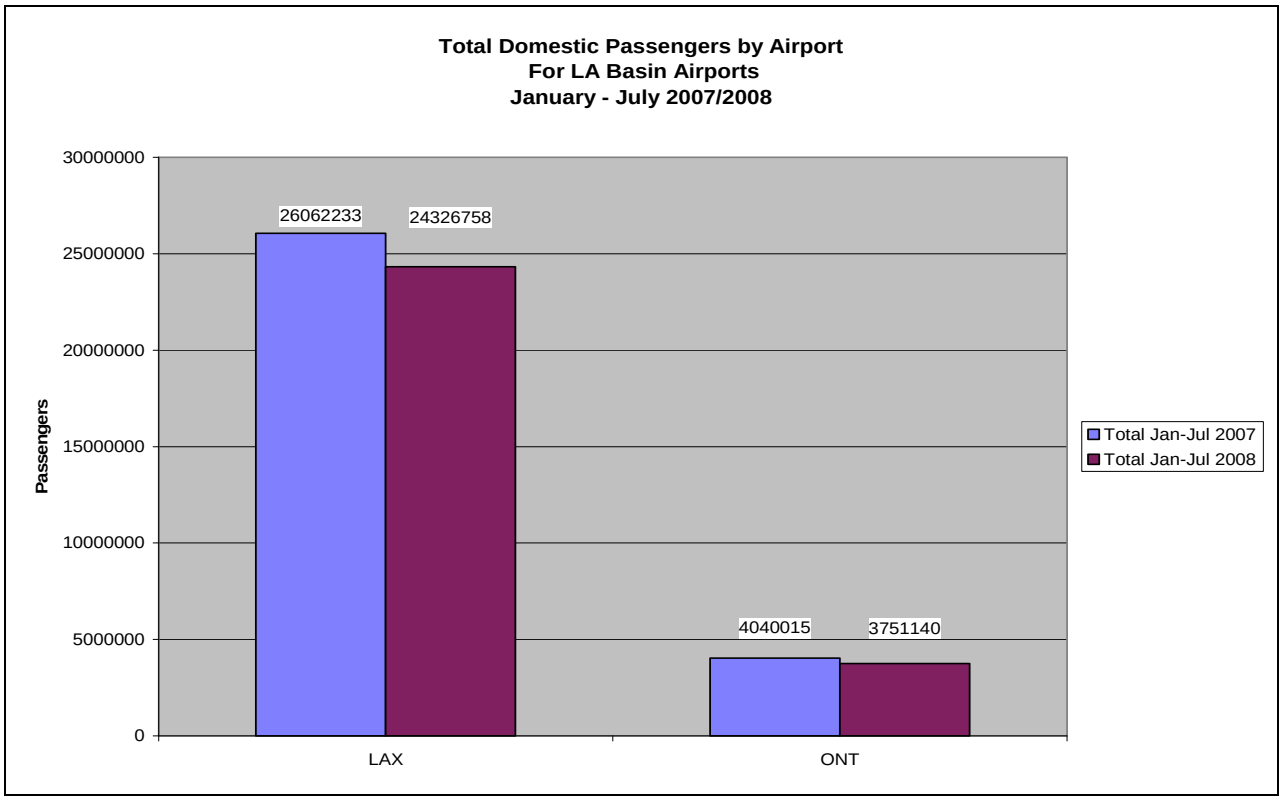

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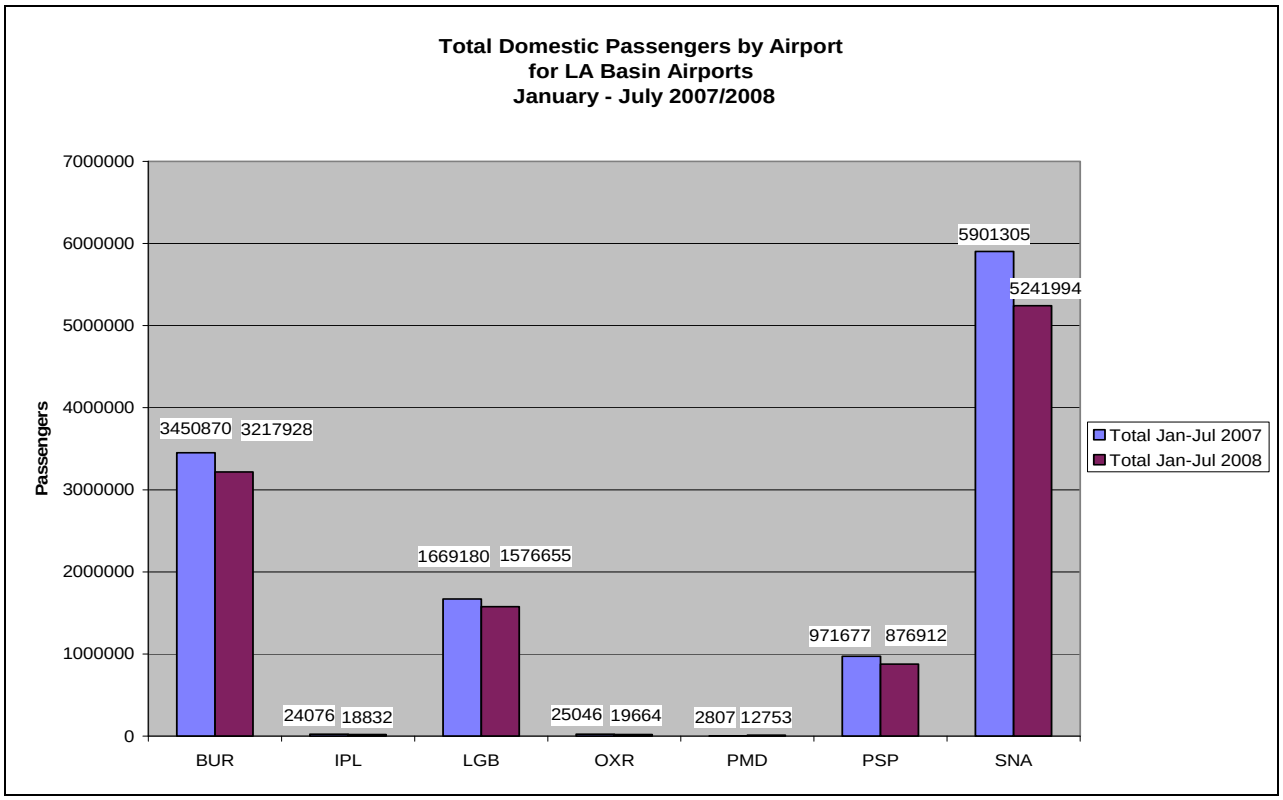
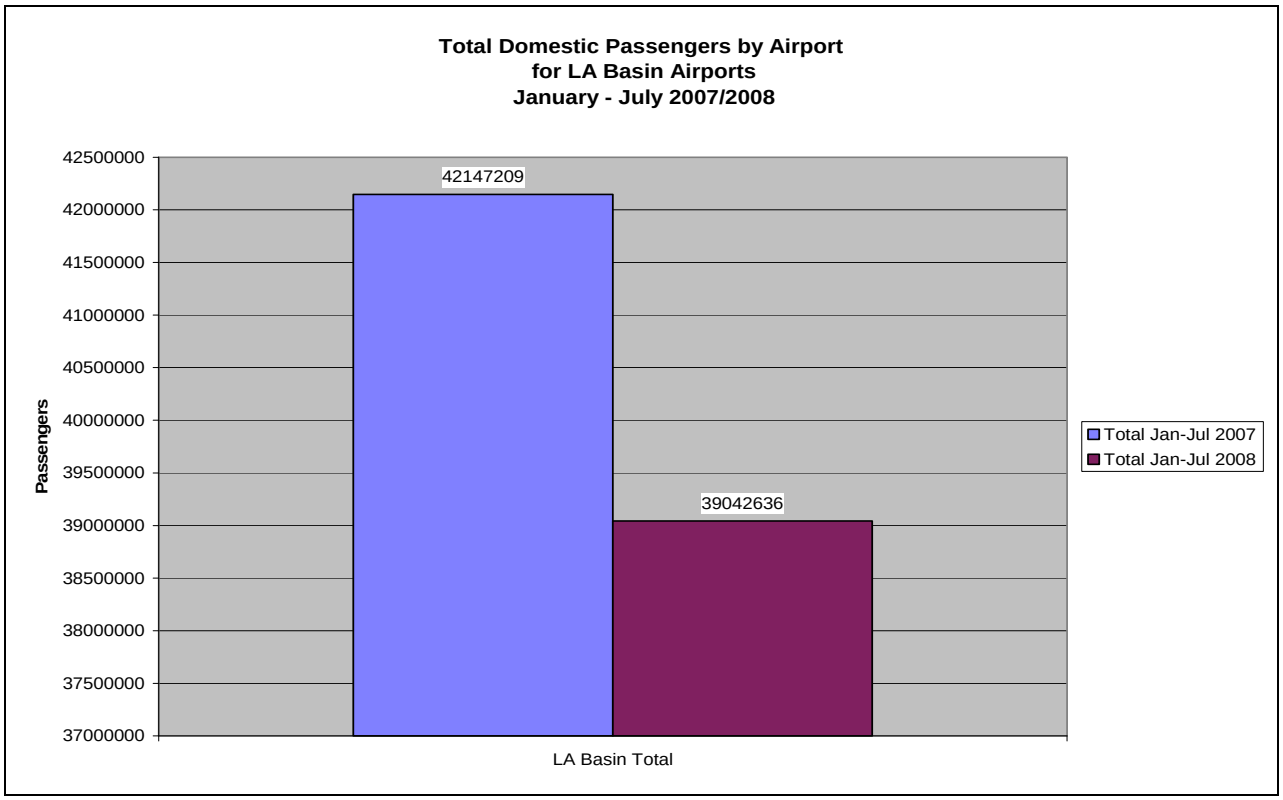


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 9



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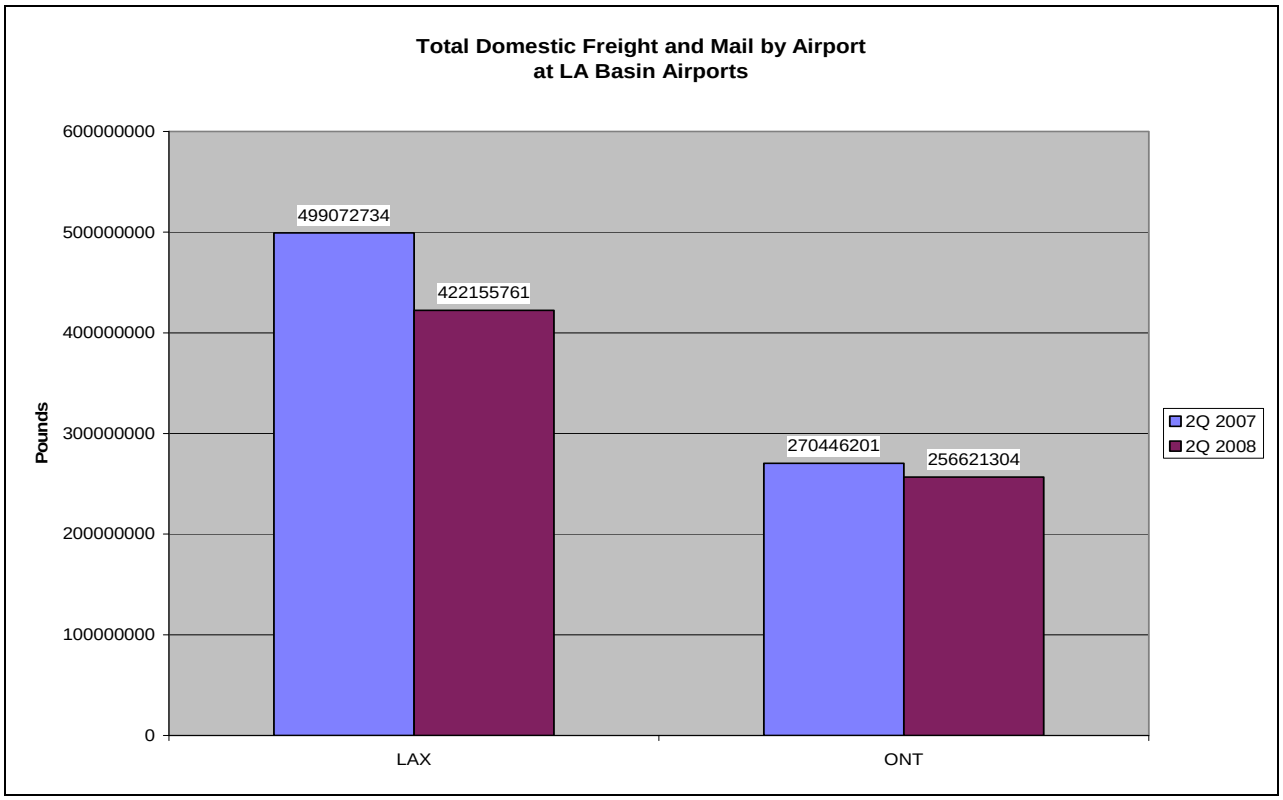
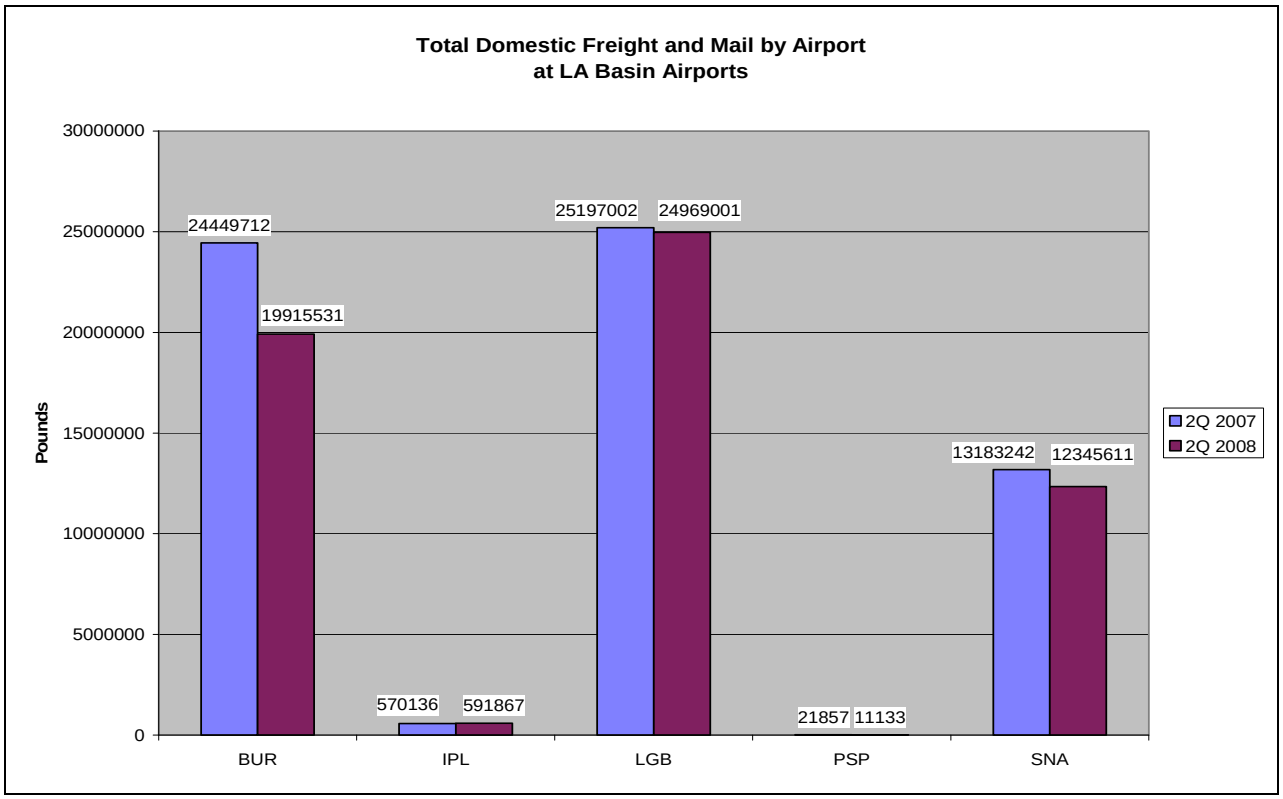


Based on DOT Traffic Data



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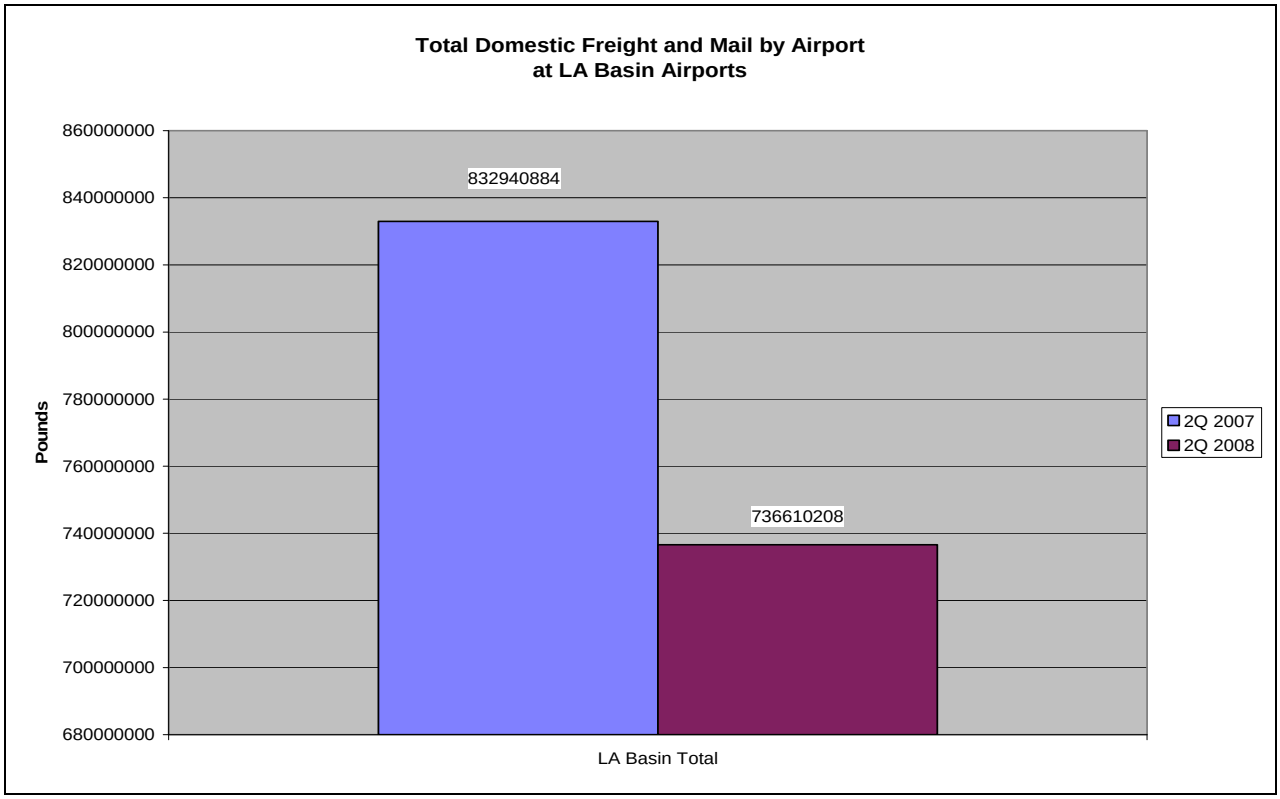
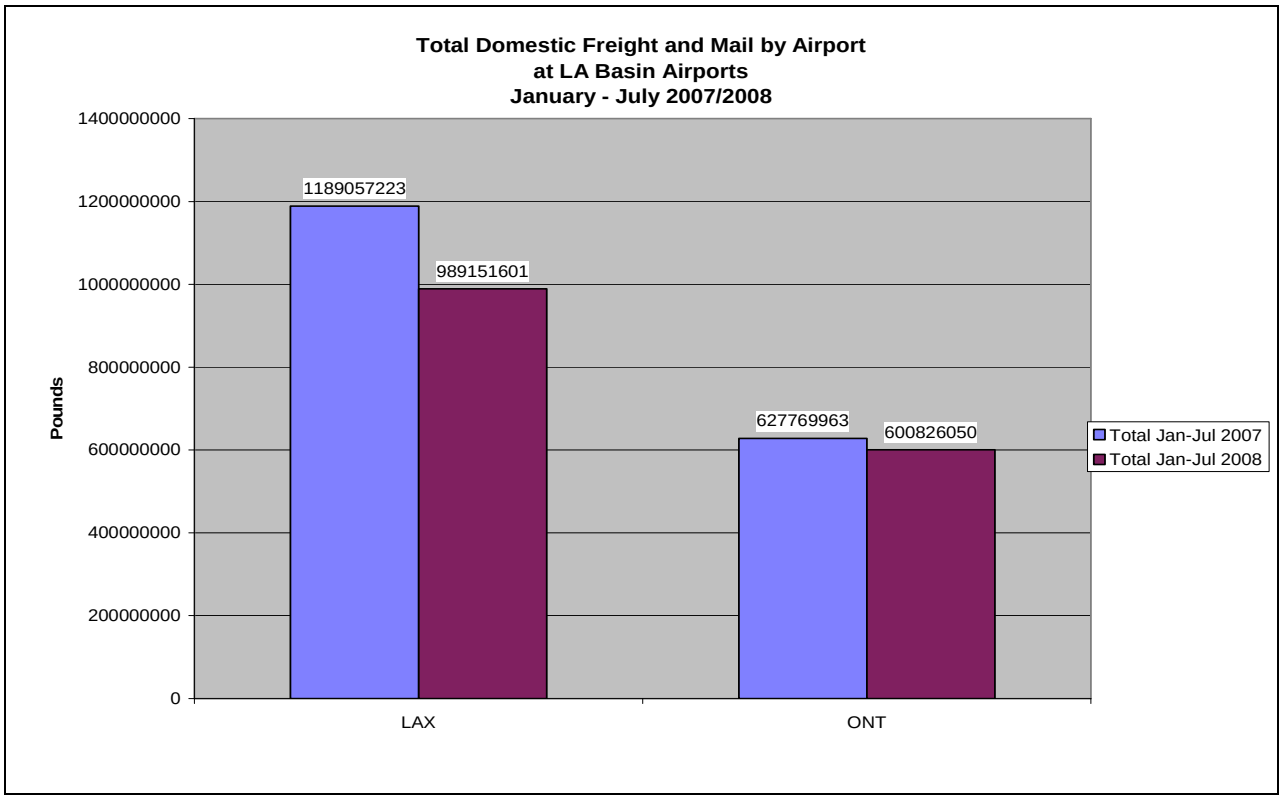
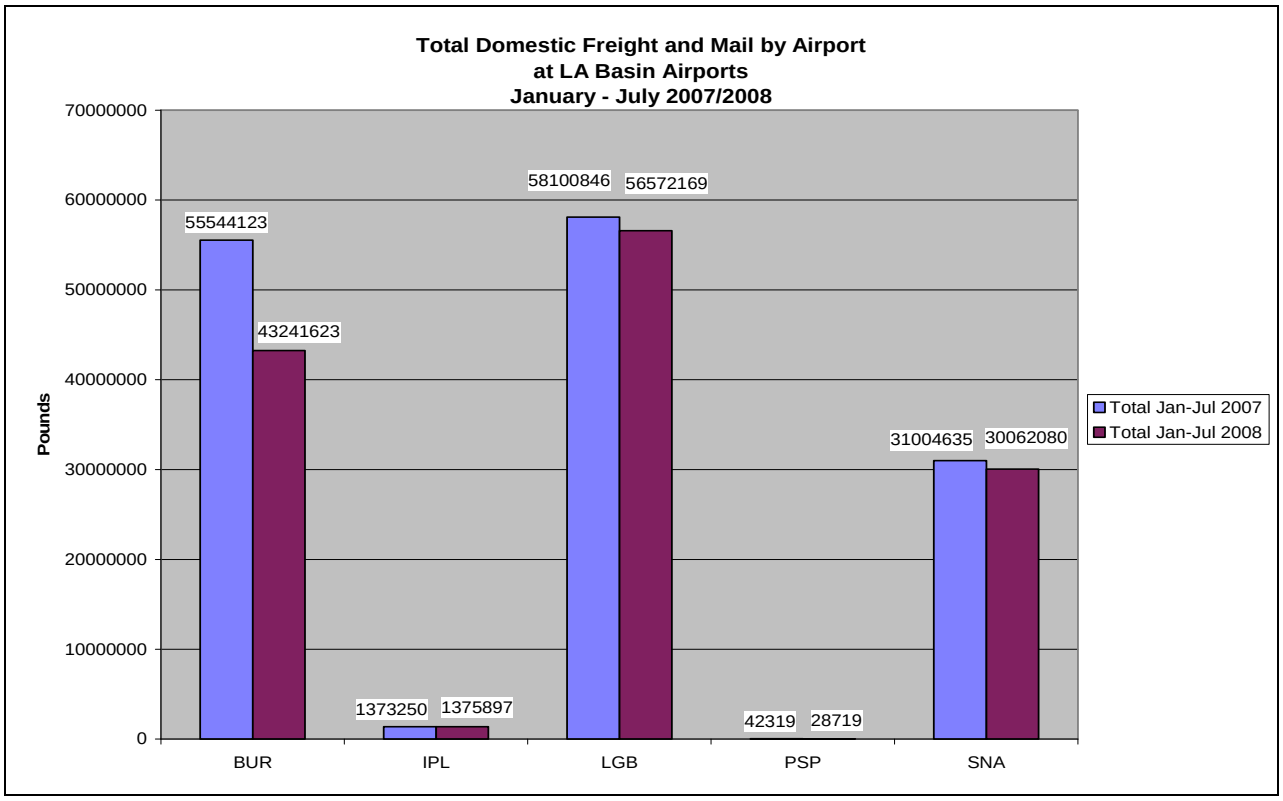


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 11



Based on DOT Traffic Data



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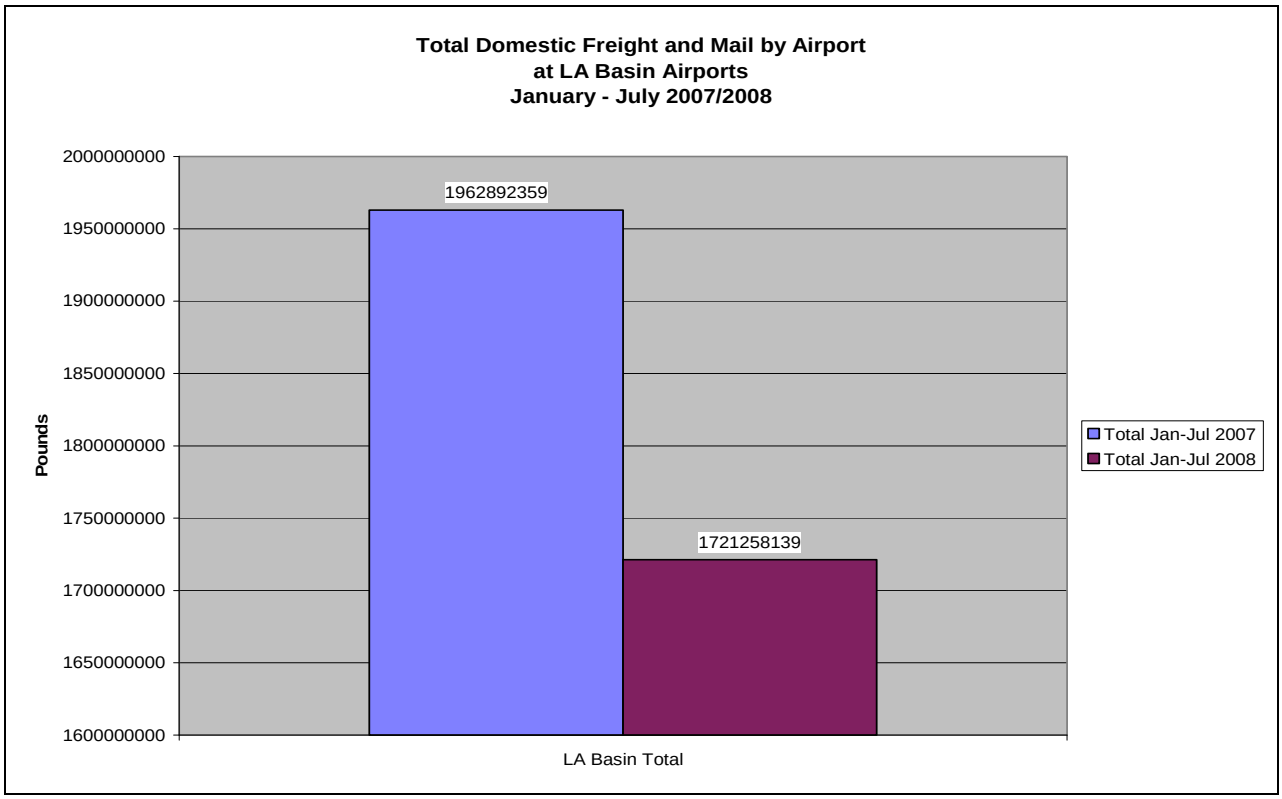


Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com 13

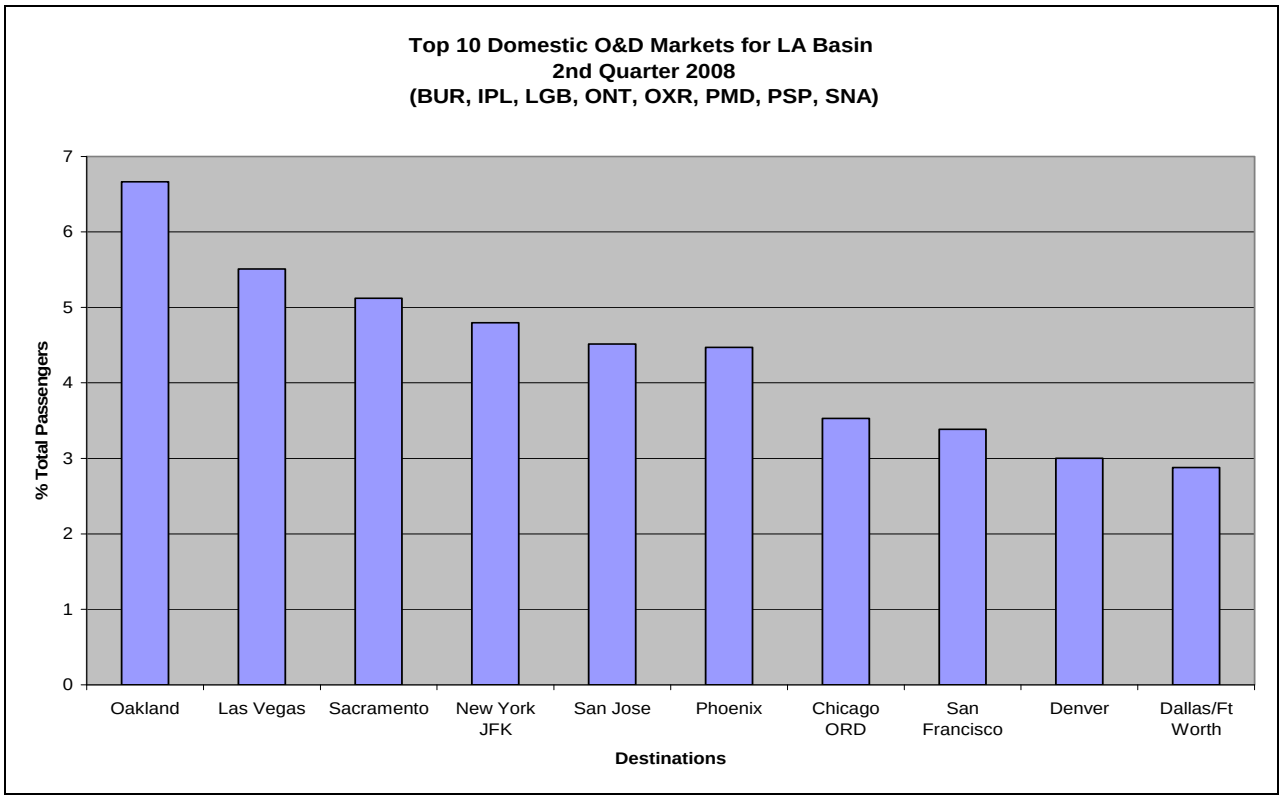
Total Available Seats

by Departure Airport and Total LA Basin

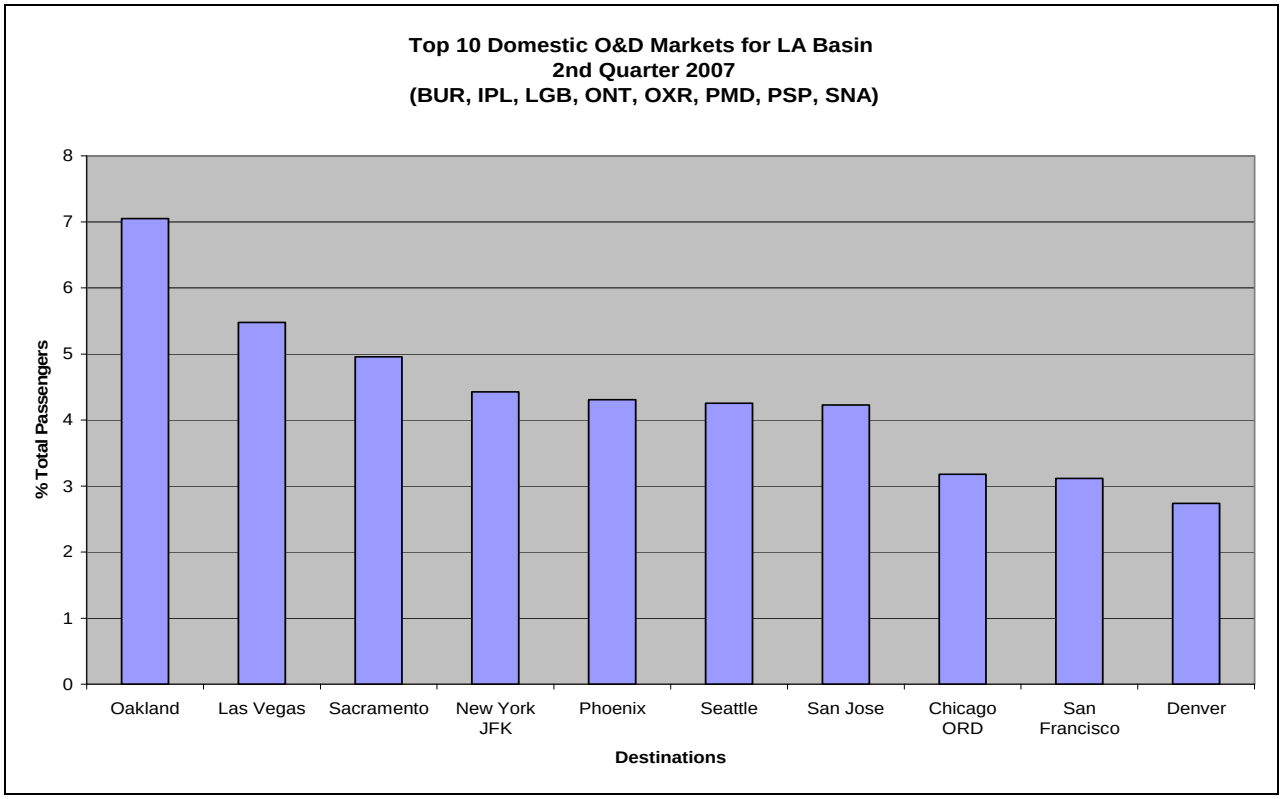
Origin Airport	3rd Quarter 2007	3rd Quarter 2008
LAX	10,427,529	9,899,767
SNA	1,711,317	1,546,579
ONT	1,305,810	1,054,202
BUR	1,090,536	1,018,976
LGB	476,469	489,595
PSP	154,546	153,606
OXR	10,290	9,690
PMD	8,700	9,060
IPL	9,630	5,100
Total	15,395,530	14,387,378

Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com

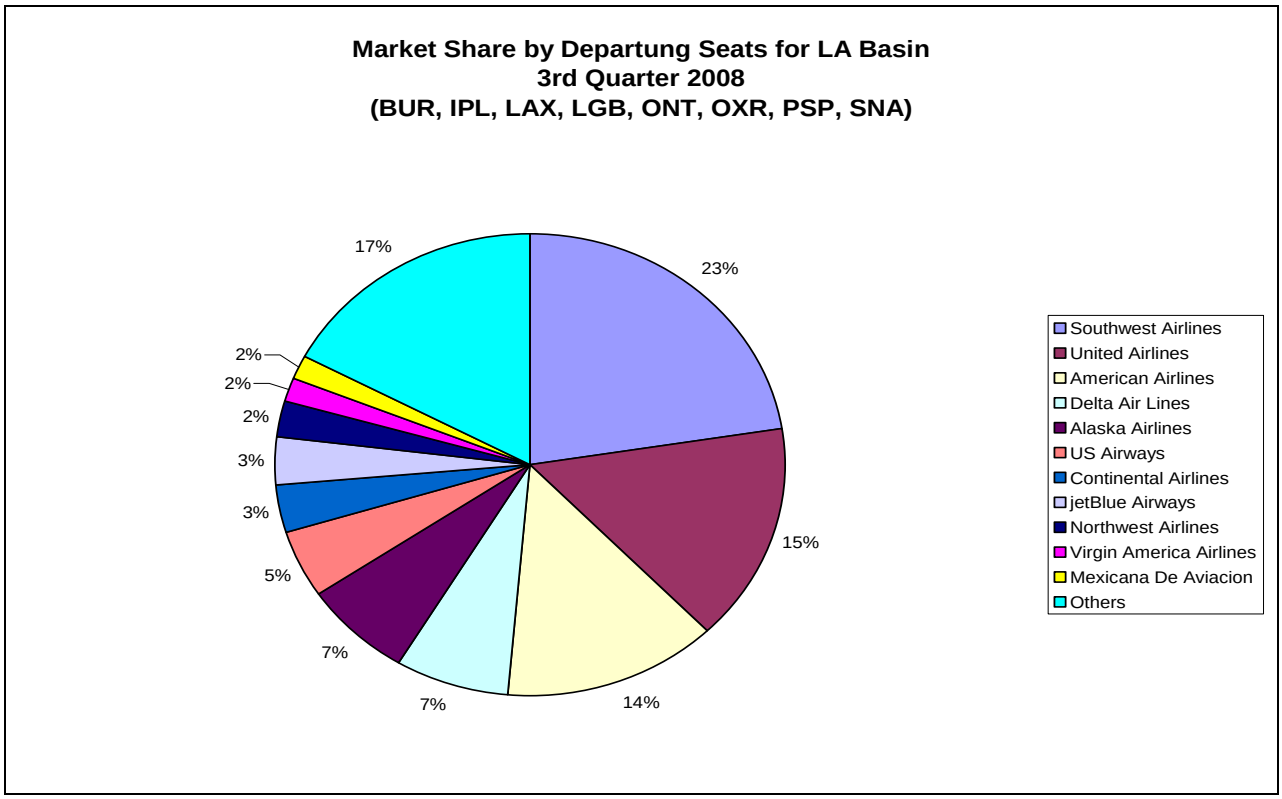


Based on DOT Traffic



Based on DOT Traffic

Source: BACK Aviation Solutions- www.oagaviation.com 15



Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Narrowbody Aircraft

Origin Airport	Jan - Jul 2007	Jan - Jul 2008
BUR	70.26%	67.27%
LAX	78.22%	77.68%
LGB	77.39%	76.99%
ONT	72.21%	70.24%
PSP	78.96%	78.67%
SNA	76.51%	73.15%
Total	76.43%	75.04%

Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Regional and Turbo-Prop Aircraft

Origin Airport	Jan - Jul 2007	Jan - Jul 2008
BUR	78.39%	76.45%
IPL	54.15%	44.90%
LAX	72.58%	69.62%
LGB	78.16%	72.05%
ONT	62.37%	71.22%
OXR	53.24%	43.32%
PMD	26.23%	33.34%
PSP	74.40%	73.39%
SNA	70.21%	71.21%
Total	71.71%	70.24%

Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Widebody Aircraft

Origin Airport	Jan - Jul 2007	Jan - Jul 2008
LAX	86.61%	85.90%
LGB	74.26%	0.00%
ONT	60.55%	92.81%
PSP	0.00%	64.71%
Total	86.60%	85.90%

Based on DOT Traffic Data

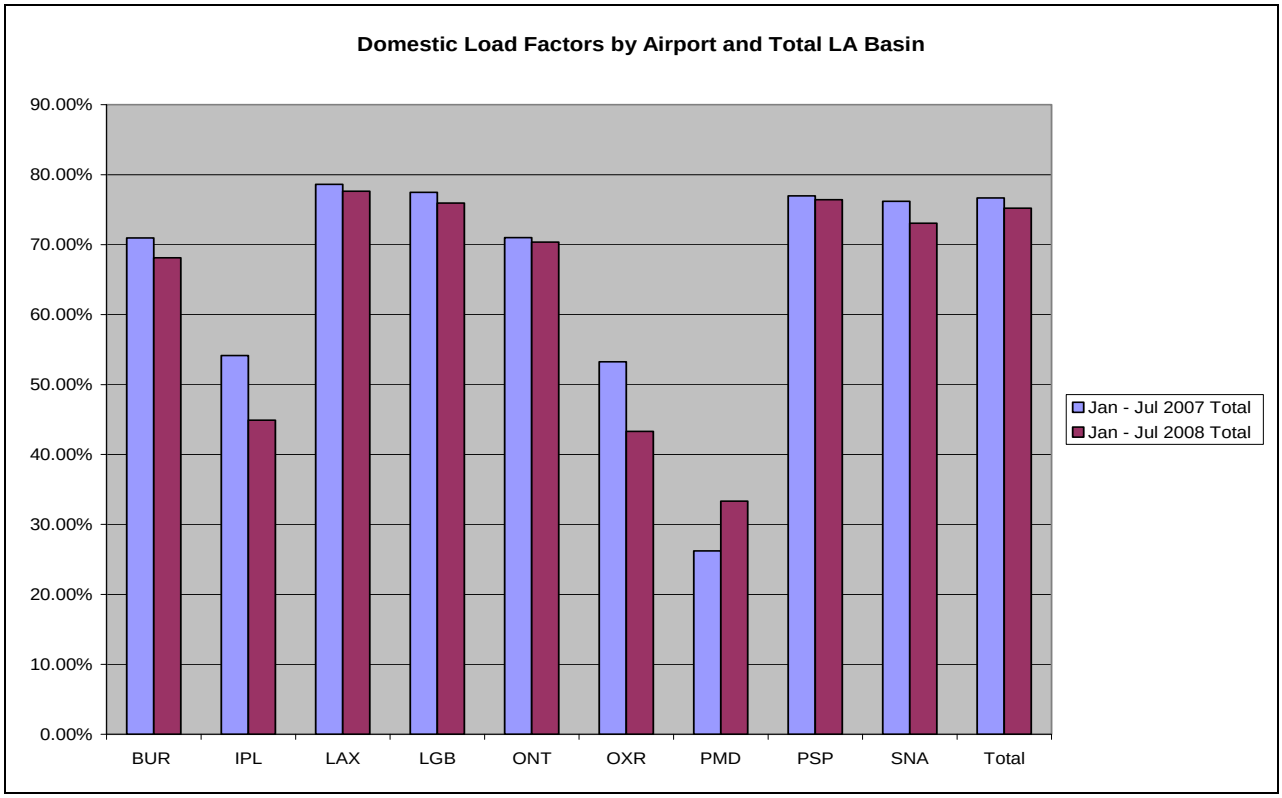
Source: BACK Aviation Solutions- www.oagaviation.com

Domestic Load Factors by Airport and Total LA Basin

Origin Airport	Jan - Jul 2007	Jan - Jul 2008
BUR	70.95%	68.11%
IPL	54.15%	44.90%
LAX	78.62%	77.62%
LGB	77.47%	75.94%
ONT	71.02%	70.38%
OXR	53.24%	43.32%
PMD	26.23%	33.34%
PSP	76.96%	76.40%
SNA	76.17%	73.05%
Total	76.67%	75.20%

Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com



Based on DOT Traffic Data

Source: BACK Aviation Solutions- www.oagaviation.com

New Non-Stop Routes from LA Basin Airports
Comparing
2nd Quarter 2008 to 3rd Quarter 2008

Origin Airport	Destination Airport	Operating Carrier
LAX	Hermosillo Mexico	Aeromexico
LAX	La Paz Mexico	Horizon Air
LAX	Los Cabos Mexico	United for TED
LAX	Milwaukee	Northwest Airlines
LAX	Prescott	Horizon Air
ONT	Prescott	Great Lakes Aviation
ONT	Seattle/Tacoma	Horizon Air
ONT	Visalia	Great Lakes Aviation

Based on Schedules Data

New Non-Stop Routes from LA Basin Airports
Comparing
2nd Quarter 2008 to 3rd Quarter 2008

Source: BACK Aviation Solutions- www.oagaviation.com

Lost Non-Stop Routes from LA Basin Airports
Comparing
2nd Quarter 2008 to 3rd Quarter 2008

Origin Airport	Destination Airport	Operating Carrier
LAX	Hermosillo Mexico	Aeromexico Connect
LAX	Honolulu	ATA Airlines
LAX	Kahului	ATA Airlines
LAX	Las Vegas(Intl)	United Airlines
LAX	Los Mochis Mexico	ExpressJet Airlines
LAX	Modesto	UA EXP/Skywest
LAX	Nadi Fiji	Air New Zealand
LAX	New York(Kennedy)	Air Tahiti Nui
LAX	Wichita	UA EXP/Skywest
ONT	Denver(Intl)	United Airlines
PSP	Calgary Canada	WestJet
PSP	Chicago(O'Hare)	United Airlines
PSP	Denver(Intl)	United Airlines
PSP	Edmonton(Intl) Canada	WestJet
PSP	Houston(G.Bush Intl)	Expressjet/CO Express
PSP	Minneapolis/St. Paul	Northwest Airlines
PSP	Portland	Alaska Airlines
PSP	Vancouver Canada	WestJet
SNA	Honolulu	Aloha Airlines
SNA	Kahului	Aloha Airlines
SNA	Oakland	Alaska Airlines
SNA	Reno	Aloha Airlines

Based on Schedules Data

Source: BACK Aviation Solutions- www.oagaviation.com

Changes in Aircraft Type at LA Basin Airports
Comparing
2nd Quarter 2008 to 3rd Quarter 2008

Airport	New Aircraft	Lost Aircraft
BUR	BOEING(DOUGLAS) MD-83	
LAX	EMBRAER 170/175/190/195	
ONT	BEECHCRAFT 1900 AIRLINER	
ONT	MCDONNELL DOUGLAS MD-90	
OXR		BEECHCRAFT (LIGHT AIRCRAFT)
PSP		EMBRAER 170/175/190/195
PSP		EMBRAER 190
PSP		AIRBUS INDUSTRIE A319
PSP		AIRBUS INDUSTRIE A320
PSP		BOEING 737-700 (WINGLETS)
PSP		BOEING 737-800
PSP		BOEING 737-900
SNA		BOEING 737-400
SNA	AIRBUS INDUSTRIE A318	
SNA	BOEING 737-500	
PMD	EMBRAER 120 BRASILIA	

Based on Schedules Data

Changes in Airlines at LA Basin Airports
Comparing
2nd Quarter 2008 to 3rd Quarter 2008

Airport	New Airline	Lost Airline
BUR		TZ - ATA Airlines
LAX		BN - Forward Air
LAX		TZ - ATA Airlines
LAX	K4 - Kalitta Air	
ONT	ZK - Great Lakes Aviation	
OXR		4X - Mercury World Cargo
PSP		AC - Air Canada
PSP		CO - Continental Airlines
PSP		NW - Northwest Airlines
PSP		SY - Sun Country Airlines
PSP		WS - WestJet
SNA		AQ - Aloha Airlines

Based on Schedules Data

Map based on 2005 Statewide Programmatic EIR/S preferred route, and staff recommendation to Authority Board December 19, 2007
Mapping Sources: US Census 2000; CA Dept. of Conservation, Farmland Mapping and Monitoring Program 2000;
California Resources Agency Legacy Project 2002; CA Dept. of Fish and Game 1999

MEMO

DATE: November 13, 2008

TO: Aviation Technical Advisory Committee

FROM: Michael Armstrong, Aviation Program Manager
213-236-1914/armstron@scag.ca.gov

SUBJECT: Proposed New Charter for ATAC

BACKGROUND:

On January 31, 2008, the Board of the Southern California Regional Airport Authority (SCRAA) voted to formally disband. The pending dissolution of the SCRAA presents an opportunity and implicit obligation for ATAC to expand the scope of its responsibilities and membership, to help fill the void left by the defunct SCRAA by promoting and advancing regional aviation decentralization.

SCAG aviation staff conducted a search of existing formal bylaws for ATAC and unfortunately could not find any; they either did not exist or have been lost. Consequently, ATAC can assume that it is working from a clean slate in developing a new charter for the committee that specifies its responsibilities, membership, relation to SCAG policy committees, meeting schedule and other attributes.

Currently, the formal ATAC membership is comprised of airport management representatives from commercial and non-commercial airports in the region, and representatives from the FAA and the State Division of Aeronautics. SCAG has not appointed ATAC representatives, and these entities have been free to appoint whomever they choose to represent them at ATAC meetings (there is a formal ATAC membership list that is continually updated). At the last ATAC meeting it was moved and approved to invite representatives from the San Diego County Regional Airport Authority and San Diego County Airport to join and participate in ATAC as full voting members (invitation letters have been sent). Traditionally ATAC discusses aviation issues of a technical nature that impact the region's commercial and non-commercial airports. It forwards recommendations on those issues to SCAG's Transportation and Communications Committee, and more recently the Aviation Task Force (which has representation from ATAC, as well as elected officials and representatives from the aviation industry). ATAC is SCAG's oldest technical advisory committee—it has met on a fairly continuous basis for about 30 years. It has met almost every month at different commercial and non-commercial airports in the region, although over the last several years it has met less often, and some of the meetings have been at the SCAG offices.

This proposed charter reflects several additions recommended by ATAC at its last two meetings on June 12, 2008 at John Wayne Airport, and September 13, 2008 at Bob Hope Airport, indicated in bold.

MEMO

CHARTER OF THE SCAG AVIATION TECHNICAL ADVISORY COMMITTEE (ATAC)

Purpose of the Committee

To provide technical recommendations to the SCAG Aviation Task Force and Transportation and Communications Committee on long-range regional aviation plans and demand forecasts, regional aviation studies, current regional aviation issues, and strategies to implement adopted regional aviation plans including ground access project prioritization, airport marketing **strategies**, inter-agency coordination, and new aviation legislation **and Federal rulemaking**. **All recommendations will be designed to facilitate the development of new or revised regional aviation policies or aviation demand forecasts for the Regional Transportation Plan, including recommendations on aviation-related legislation or Federal rulemaking that potentially impact those policies and forecasts.**

Responsibilities

The Committee will carry out the following responsibilities:

- Review and comment on drafts of all aviation-related technical reports developed by SCAG aviation staff and their consultants including, but not limited to, aviation demand forecasts, airport **and airspace** capacity analyses **and forecasts**, environmental analyses, airport ground access studies, airport marketing studies, airport management studies, inter-governmental relations studies, and implementation action plans, and forward related recommendations to the Aviation Task Force and the Transportation and Communications Committee.

- Review and comment on proposed parameters and assumptions used to generate new aviation demand forecasts for the Aviation Element of the Regional Transportation Plan, and forward related recommendations to the Aviation Task Force and Transportation and Communications Committee.

- Review and comment on proposed strategies to implement adopted regional aviation plan including ground access project prioritization, airport marketing **strategies**, inter-agency coordination, and new aviation legislation, and forward related recommendations to the Aviation Task Force and Transportation and Communications Committee

- Review and comment on new aviation and airport planning and development projects

- **Review and comment on aviation-related legislation and Federal rulemaking that potentially impact adopted regional aviation policies or aviation demand forecasts.**

- Provide a forum for the exchange of information and viewpoints on aviation issues and topics of current interest, as well as the dissemination of information on new aviation technology and airport management best practices, for ATAC members and other interested parties.

Composition

The Committee will be comprised of one representatives from each commercial and general aviation airport in the region, as well as representatives from the San Diego County Regional Airport Authority,

San Diego County Airports, the State of California Division of Aeronautics, the Federal Aviation Administration Western-Pacific Region, the National Business Aviation Association, the Aircraft Owners and Pilots Association, Southern California Airspace Users Working Group**,** the Federal Transportation Security Administration, and the California State University Los Angeles Aviation Administration Program. Each of these entities will be formally invited by SCAG to appoint a designated representative and alternate to serve on the Committee. New members can be added to the Committee as appropriate, such as aircraft manufacturers, military air base representatives, representatives from economic development organizations, representatives from ground transportation service providers, and representatives from other aviation-related organizations. **New members that are recommended by the committee must be appointed by the SCAG President prior to becoming full voting members.**

Ex-officio, non-voting members on the committee will include the Association of California Airports, the California Pilots Association, Air Transport Association, the General Aviation Manufacturing Association, and the National Air Transportation Association. Additional ex-officio, non-voting members can be invited to participate by a simple majority vote of the committee members.

Committee Chair and Vice-chair

The committee will elect a Chair and Vice-chair by a majority vote of those members present, subject to quorum requirements. The Chair and Vice-Chair will serve for a term of at least one year. The Vice-Chair will run meetings of the committee when the Chair is unable to attend.

Meetings

The Committee will meet on a bi-monthly (every other month) basis at different airport locations around the region, as well as the SCAG offices. The Committee will have the authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting. The Committee will invite others to attend meetings and provide pertinent information as needed, including SCAG non-aviation staff. Meeting agendas will be prepared and provided in advance to members by SCAG aviation staff, along with appropriate briefing materials in accordance with the Brown Act. **The meeting quorum for members in attendance to vote on action items will be a majority of the full voting members**. Minutes of each meeting will be prepared and made available to the public.